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IN THE

Supreme Court of the United States

October Term, 1955

No. 593

LOVELL MANUFACTURING COMPANY,
Petitioner,
v.
NICHOLAS L. ETTEN, and CHAMBERLAIN CORPORATION,
Respondents.

PETITION FOR A WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE THIRD CIRCUIT

RALPH HAMMAR,
510 G. Daniel Baldwin Building,
Erie, Pennsylvania,

JULIAN MILLER,
1706 First National Bank Building,
Pittsburgh, Pennsylvania,

Attorneys for Petitioner.

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Respondents.

PETITION FOR A WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE THIRD CIRCUIT

To the Honorable Chief Justice and the Associate Justices of the Supreme Court of the United States:

Petitioner prays that a writ of certiorari issue to review the amended judgment of the United States Court of Appeals for the Third Circuit, entered in the above-entitled case on September 30, 1955.

Opinions Below

The opinion of the Court of Appeals, including that on rehearing, incident to the judgment sought to be reviewed, is reported at 225 F. 2d 844, and printed copies are separately presented. Earlier opinions of the Court of Appeals are reported at 179 F. 2d 302 and 184 F. 2d 737,* and are separately presented in Appellees' Appendix, Appeal No. 11,427, 66b-67b, and 71b-85b, respectively.

The opinions of the District Court are reported at 4 F. R. D. 233, 83 F. Supp. 178, and 121 F. Supp. 291, and are separately presented in Appellees' Appendix, *supra*, pp. 20b-24b, 25b-64b, and 89b-112b, respectively.

In the Patent Office interferences Nos. 75,433 and 76,987, the opinions of the Examiner of Interferences are unreported and are printed in Appendix B (separately presented), pp. 1-5, 14-18; and the opinions of the Board of Appeals are reported at 59 U. S. P. Q. 169, and 173, and are printed in Appendix B, pp. 6-13, 19-21.

In the companion Patent Office interferences Nos. 77,671 and 77,672, the opinions of the Board of Interferences Examiners are unreported and are printed in Appendix B, pp. 22-23, 24-27; the report of the Board of Interference Examiners to the Commissioner of Patents on the issue of fraud is unreported and is printed in Appendix B, pp. 48-96; the decision of the Commissioner of Patents on the issue of fraud is unreported and is printed in Appendix B, pp. 97-98; and the opinion of the Court of Customs and Patent Appeals is reported at 142 F. 2d 680 and is printed in Appendix B, pp. 99-112.

Jurisdiction

The amended judgment of the Court of Appeals was entered on September 30, 1955 (Appendix B, p. 113). The jurisdiction of the Court is invoked under 28 U. S. C., Sec. 1254 (1).

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* Respondents' petition for certiorari denied, 340 U. S. 948, 71 S. Ct. 533, 95 L. Ed. 683.

Questions Presented

1. Four interferences, each between Jantz (petitioner's assignor) and respondent Etten (assignor of respondent Chamberlain Corporation), were tried in the Patent Office upon a common record, and the issue of priority in all four interferences was determined in favor of Jantz and against Etten. Etten split the review of these adverse decisions into two actions. In his "first action", Etten appealed *two* of those interferences under Section 4911 R. S. to the Court of Customs and Patent Appeals, which affirmed the Patent Office in both appeals, but held its decision in abeyance so that Etten could raise and litigate in the Patent Office the new issue of fraud in those appeals with respect to Jantz's proofs of priority. Only after that issue had been determined adversely to Etten, did the Court of Customs and Patent Appeals permit its decision to become final and send its certificate thereon to the Patent Office, which in due course issued a patent to petitioner on Jantz's application. The adjudication in the Court of Customs and Patent Appeals concluded the "first action" between the above parties.

The "second action" (the suit below) was filed in the District Court against petitioner by Etten, respondent Chamberlain being later added as a party plaintiff, and included a count under Section 4915 R. S. to set aside the decisions of the Patent Office in the *other* two interferences that had not been appealed to the Court of Customs and Patent Appeals. The complaint was later amended to include an additional count under Section 4918 R. S., between the Etten patent involved in the "first action" and the Jantz patent issued to petitioner as a result of that action. The District Court permitted Etten to relitigate in both of those counts the identical issues of fraud and priority that had been determined adversely to him in the "first action", and the District Court determined those issues in Etten's favor. That determination was affirmed by the Court of Appeals below.

On the foregoing facts, the question presented is whether the adjudication of the issues of fraud and priority adversely to Etten in the "first action" is a conclusive adjudication on those issues in the "second action".

2. Can the District Court properly enter a final judgment under Section 4918 R. S., where one of the two interfering patents involved had expired, pendente lite, prior to the entry of that judgment?

3. Can the District Court properly authorize the issuance of a patent under Section 4915 R. S., where the record shows that the invention claimed was in public use more than two years before the application for patent was filed?

Statutes Involved

The statutory provisions involved are:

Section 481 of the Revised Statutes, 35 U. S. C., Sec. 6 (1951); Section 4904 of the Revised Statutes, 35 U. S. C., Sec. 52 (1951); Section 4911 of the Revised Statutes, as amended by Sec. 9 of the Judiciary Act of 1893, 27 Stat. 343; Section 4911 of the Revised Statutes, as last amended by the Act of March 2, 1929, 45 Stat. 1476; Section 4911 of the Revised Statutes, as last amended by the Act of August 5, 1939, 55 Stat. 1212, 35 U. S. C., Section 4915 of the Revised Statutes, as amended by Sec. 9 of the Judiciary Act of 1893, 27 Stat. 343, Sec. 59(a) (1951); Section 4915 of the Revised Statutes, as last amended by the Act of March 2, 1929, 45 Stat. 1476; Section 4915 of the Revised Statutes, as last amended by the Act of August 5, 1939, 55 Stat. 1212, 35 U. S. C., Sec. 63 (1951); Section 4918 of the Revised

Statutes, 35 U. S. C. 66 and Section 4886 of the Revised Statutes, 35 U. S. C. 31 as last amended by Act of May 23, 1930, 46 Stat. L. 376. The foregoing statutes are printed in Appendix A, infra, pp. 28-32.

Statement

Nicholas L. Etten, one of the respondents[*], filed his complaint on October 22, 1943, seeking the issuance of a patent under Section 4915 of the Revised Statutes, 35 U. S. C., Sec. 63 (1951), (Appendix A, infra, p. 30), on each of two patent applications as to which he had been the losing party on the issue of priority in two Patent Office interferences.[**] He charged that the rival inventor, Gustav A. Jantz, had prevailed in the Patent Office by fraud and suppression of evidence. Petitioner, Lovell Manufacturing Company, is the assignee of the Jantz patent application involved in those interferences and of the patent that later issued thereon.

Etten later amended his complaint to include an action under Section 4918 of the Revised Statutes, 35 U. S. C., Sec. 66 (1951), (Appendix A, infra, p. 31), seeking an adjudication of priority with respect to his patent 2,054,970 over Jantz patent 2,407,951, the latter having issued in 1946 to petitioner, as assignee, and also seeking cancellation of the Jantz patent for fraud.

The background of the issues of priority and fraud that were presented to and decided by the District Court is found in the interference proceedings between Etten and Jantz in the Patent Office, where the same issues of fraud and priority were fully litigated between petitioner and respondents, or their privies, and were finally adjudicated, adversely to respondents.

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[*] The other respondent, Chamberlain Corporation, is Etten's assignee and was added as party plaintiff on August 9, 1951 (Appellant's Appendix, *supra*, p. 91a).

[**] The complaint also included a claim for damages for fraudulent conspiracy, as to which Walter L. Kauffman, petitioner's chief engineer, was a party defendant. The claim was denied by the District Court, and respondents took no appeal therefrom. Defendant Kauffman has no interest in, nor would his presence or absence as a party affect respondents' claims on the patent issues in this case that petitioner seeks to have reviewed.

On December 23, 1932, Etten filed in the Patent Office an application for an improvement in wringers, S. N. 648,620, on which patent 2,054,970 issued on September 22, 1936, to Chamberlain Corporation, as Etten's assignee, and is hereinafter referred to as the Etten patent. On September 3, 1935, Etten also filed an application for an improvement in a wringer release mechanism, S. N. 38,932, hereinafter called Etten's 1935 application. Finally, October 7, 1937, Etten filed an application, S. N. 167,775 for a reissue of the above patent 2,054,970, and is hereinafter referred to as Etten's 1937 reissue application.

On October 25, 1934, Jantz filed a patent application for an improvement in wringers, S. N. 749,977.

Because of conflicting subject matter in the foregoing patent and patent applications, the Patent Office declared four separate but related interferences, as follows:

(1) Interference No. 75,433, declared February 15, 1938, between Etten's 1935 application and Jantz's application.

(2) Interference No. 76,987, declared April 25, 1939, between Etten's 1937 reissue application and Jantz's application.

(3) Interference No. 77,671, declared Nov. 8, 1939, between Etten's 1935 application and Jantz's application (different counts of the same applications involved in the second interference, *supra*).

(4) Interference No. 77,672, declared November 8, 1939, between Etten's patent and Jantz's application.

Testimony was taken by both parties in connection with these four interferences, and they were all tried on a common record, it being conceded by Etten that the various counts differed only slightly in scope and disclosed the same basic inventive thought.*

The first two interferences (Nos. 75,433 and 76,987) were decided on April 23, 1942 by the Examiner of Interferences, who awarded priority on all counts to Jantz, Appendix B, pp. 1-5, 14-18). On the same day, the Board of Interference Examiner decided the remaining interferences (Nos. 77,671 and 77,672) in Jantz's favor. In each of these interferences, the deciding factor was a determination that Jantz had completed and successfully tested his invention, embodied in Physical Exhibit "O", at least as early as April 10, 1932.

Since the last two interferences had been declared after October 5, 1939, they were subject to an amendment to the patent laws effective on that date, and were immediately appealable to the Court of Customs and Patent Appeals.** One of those interferences (No. 77,672) was appealable only to that Court, since it involved an issued patent. As to the other (No. 77,671), Etten had the alternative of filing a bill in equity, under Section 4915 R. S.

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* The brief on behalf of Etten filed with the Examiner of Interferences (in interference No. 75,433), Deft's Exhibit 3B, p. 25, states: "The several interferences and the counts therein represent claims which differ merely in scope. It is urged that all of the claims in the four companion interferences vary but slightly in scope and that priority of the fundamental and basic inventive thought of the toggle release and reset mechanism to one party would negative any question of invention to the other party."

** Act of August 5, 1939, 451, Sections 3 and 4, 53 Stat. 1212, amending Sections 4911 and 4915, R. S. (Appendix A, *infra*, pp. 29, 30). The other two interferences, subject to the old law, were not appealable to that Court, or reviewable by a bill in equity, ^ after an intermediate appeal to the Board of Appeals.

until

He declined that alternative and appealed both interferences to the Court of Customs and Patent Appeals.

It was during the pendency of those appeals in interferences Nos. 77,671 and 77,672 in the Court of Customs and Patent Appeals that Etten, on October 22, 1943, filed his complaint in the present suit in the District Court, with respect to the other interferences (Nos. 75,433 and 76,987) after having appealed them, and lost, to the Board of Appeals (Appendix B, pp. 6-13, 19-21).

On January 3, 1944, the Court of Customs and Patent Appeals filed its opinion, affirming the Board of Interference Examiners in awarding priority to Jantz in interferences Nos. 77,671 and 77,672 (Appendix B, pp. 99-112). The opinion did not consider the question of fraud. However, before that opinion became final, and before the court's certificate thereon had issued to the Patent Office, Etten, on January 20, 1944, filed a petition to the Commissioner of Patents, requesting him to have the two interferences, then pending before the Court of Customs and Patent Appeals, remanded and to grant a rehearing on the Patent Office decisions therein (as well as in the companion interferences, Nos. 75,433 and 76,987) in view of "fraud and suppression of evidence" by the party Jantz, as shown by newly discovered evidence subpoenaed from Jantz's counsel in the present suit in the District Court (Appendix B, pp. 29-48). Thereupon, the Court of Customs and Patent Appeals, "at the request of the Commissioner of Patents, * * * withheld sending to the Patent Office the certificate of its proceedings and decision," so that the issue of fraud could be fully investigated by the Commissioner (Appendix B, p. 49).

The Commissioner appointed the Board of Interference Examiners to hear and report on the fraud issue. A hearing was held, at which a great deal of evidence on fraud was presented for the purpose of showing that Jantz Exhibit "O" was not completed until a year later than the date found by the Patent Office; and the issue was fully briefed and argued. The Board, on May 23, 1944, filed a formal report, holding that "no fraud on the part of counsel, Jantz, or his assignee, or the witnesses has been established;" and that if the new evidence had been produced originally, "it would not have led us to a different result in our award of priority." (Appendix B, p. 96). On May 30, 1944, the Commissioner denied Etten's petition (Appendix B, pp. 97-98). Then, and only then, did the Court of Customs and Patent Appeals permit its previous decision to become final by sending its certificate thereon to the Patent Office. The Court made no change in its original opinion of January 3, 1944. This concluded the "first action" between the parties.

To give effect to the decision of the Court of Customs and Patent Appeals in Interferences Nos. 77,671 and 77,672, the Patent Office allowed Jantz's application and on September 3, 1946, issued patent 2,406,951 to petitioner, as assignee of Jantz. Thereafter, as stated above, Etten amended his complaint in the present suit to include an action under Section 4918 R. S., since there were now two interfering patents, his own and the recently issued Jantz patent.

With this background the present suit (the "second action") was tried in the district court, and Etten was permitted, over petitioners' objections, to offer additional evidence on, and to relitigate, the identical issues of fraud and priority that had been previously litigated and determined adversely to him by a final adjudication in a different cause of action.

On March 2, 1949, the District Court filed its first opinion (Appellees' Appendix, *supra*, pp. 25b-63b), finding that Jantz had fraudulently obtained an award of priority in the Patent Office in his interferences with Etten, and that "Jantz did not complete his Exhibit 'O' nor reduce his inventions to practice until sometime in the month of April 1933" (Finding 24, Appellees' Appendix, *supra*, p. 36b), a year later than the date that had been found by the Patent Office and by the Court of Customs and Patent Appeals.

The District Court also found that Jantz had publicly used that wringer Exhibit "O" during the month of June 1933, showing the wringer to various washing machine manufacturers for the purpose of soliciting commercial orders, and did, in fact, obtain such orders in June 1933 and that commercial production of such wringers began after production dies had been ordered in September 1933. (Opinion of District Court, Appellees' Appendix, *supra*, pp. 50b-51b). At that time, and for a few years before, Jantz had been employed by the Corcoran Manufacturing Company of Cincinnati, Ohio and the Jantz wringer was commercially produced and sold by that company in the latter part of 1933 and in the first half of 1934, after which the company went out of business (Appendix B, pp. 103-104).*

On April 26, 1949, the District Court entered its first judgment (Appellees' Appendix, *supra*, pp. 64b-65b), decreeing, *inter alia* (a) that Jantz patent 2,406,951 was void in its entirety, because it had been fraudulently procured; (b) that Etten patent 2,054,970, as to all subject matter conflicting with the Jantz patent, was entitled to prioriy as between the parties to this suit; and (c) that Etten was entitled to a patent on his 1935 application and on his 1937 reissue application.

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* Petitioners had no interest in Jantz's patent application on this wringer until March 16, 1938 (Finding 15 in 1949 opinion of District Court, Appellees' Appendix, *supra*, p. 34b).

Petitioners' appeal from that judgment was dismissed on January 10, 1950 for failure to comply with the provisions of Rule 54 (b) F. R. C. P. (179 F. 2d 302, Appellees' Appendix, *supra*, p. 66b).*

On March 10, 1950 the District Court amended its judgment to comply with the provisions of Rule 54 (b). Petitioners again appealed. On September 29, 1950, the Court of Appeals *vacated the judgment of the District Court in its entirety* and remanded the case for further proceedings, on the ground that Etten's title was not sufficiently clear to determine whether the district court had jurisdiction of the action (184 F. 2d 737, Appellees' Appendix, *supra*, pp. 71b-85b).

On September 22, 1953, Etten patent 2,054,970 expired. This was one of the two interfering patents involved in the action under Section 4918 R. S. It was also the original patent on which Etten had filed his 1937 reissue application, on which he was seeking a patent under Section 4915 R. S.

The District Court, having received additional evidence on the question of title, on May 3, 1954, filed a supplemental opinion holding that Etten was entitled to maintain the suit and that his assignee, Chamberlain Corporation, was a proper additional party plaintiff (Appellees' Appendix, *supra*, p. 89b-111b). Thereafter, on July 19, 1954, the District Court entered its final judgment, from which the present appeal is taken (Appellees' Appendix, *supra,* pp. 112b-115b). That judgment, insofar as relevant here, is substantially the same as the earlier judgment, filed on April 26, 1949.

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* The case contained, and still contains, an unadjudicated counterclaim of petitioner (Appellees' Appendix, p. 112b).

The Court of Appeals, in its amended judgment of September 30, 1955, affirmed this last judgment of the District Court in all respects, except as to the allowance of counsel fees in connection with the interference proceedings (Appendix B, p. 113).

Reasons for Granting the Writ

POINT I

Respondents' Claims Under Sections 4915 and 4918 R. S., Based on Fraud and Priority, are Settled Adversely by Former Adjudication.

1. The Conflict Among the Circuits

The decision of the court below, with respect to claims under Section 4915 R. S., is in direct conflict with the decisions of the Court of Appeals for the District of Columbia in *Hemphill v. Coe,* 121 F. 2d 897, (1941); *Chase v. Coe,* 122 F. 2d 198, (1941); *U. S. Rubber v. Coe,* 146 F. 2d 315, (1945); *Taylor v. Marzall,* 196 F. 2d 592, (1952); *Westgate-Sun Harbor v. Watson,* 206 F. 2d 458, (1953); *Smith v. Watson,* 218 F. 2d 863, (1955); *Weeks v. Warp,* 221 F. 2d 108, (1955). In all of the foregoing cases, the Court of Appeals of the District of Columbia in proceedings brought by an applicant under Section 4915 R. S. has treated the *decisions of the Court of Customs and Patent Appeals* in related cases under Section 4911 R. S. to which the same applicant was a party, as a conclusive adjudication on all issues of fact that were litigated and adjudicated by the latter Court.

The decision of the Court below, with respect to claims under Section 4915 R. S., is also in direct conflict with the decision of the Court of Appeals for the District of Columbia in *Daniels v. Coe,* 116 F. 2d 941 (1940), where the court held that *an adjudication by the Interference Examiner,* from which no appeal was taken, barred a later action by the losing applicant under Section 4915 R. S. seeking a patent on different claims in the same application.

The decision of the Court below is also in direct conflict with the broader decision of the Court of Appeals for the Fourth Circuit in *Mas v. Coca-Cola,* 198 F. 2d 380 (4 Cir., 1952), where the court held that a plaintiff suing for fraudulent appropriation of his invention was estopped on the principle of *res judicata* from questioning the issue of priority decided adversely to him by the *Board of Appeals of the Patent Office* in an interference proceeding between the same parties.

In the foregoing cases, a final adjudication of an issue of fact, *either by the Court of Customs and Patent Appeals or by a tribunal of the Patent Office,* was held to be conclusive in a subsequent suit on a different cause of action.

Specifically, in *Taylor v. Marzall,* 196 F. 2d 592, (D. C. Cir., 1952), cited above, the facts are very similar to those in the present case. Taylor (who occupied the position of respondent Etten) lost an interference to Josserand before the Court of Customs and Patent Appeals, (*Josserand v. Taylor,* 138 F. 2d 58). Taylor later applied to that court for leave to file a bill of review in the Patent Office, charging fraud on the part of Josserand. The court denied his application, on the ground that there was no serious question of fraud (*Josserand v. Taylor,* 159 F. 2d 249).

Subsequently, Taylor filed a bill in equity in the district court for the District of Columbia under Section 4915 R. S., seeking to obtain a patent on new claims in the same application involved in his interference, and alleged that the award of priority had been obtained through Josserand's fraud. The district court dismissed his bill. In affirming, the Court of Appeals for the District of Columbia (196 F. 2d 592) held that the issue of fraud between Taylor and Josserand was conclusively adjudicated by the decisions of the Court of Customs and Patent Appeals and could not be relitigated under Section 4915 R. S., even on a different claim. The only distinction between that case and the present one is that Taylor asked the Court of Customs and Patent Appeals for leave to file a bill of review in the Patent Office, whereas Etten actually filed a bill of review in the Patent Office.

The contrary position taken by the Court below in this case is that, in statutory proceedings under Section 4915 R. S., a party may relitigate the issues of fraud and priority that were finally adjudicated in interferences between the same parties by the tribunals of the Patent Office and by the Court of Customs and Patent Appeals.

2. The Importance of the Question Involved

By enacting the Act of March 2, 1927, 44 Stat. 1335 (Appendix A, *infra,* p. 30), Congress decided "to have the decision of the Patent Office reviewed either by the Court of Appeals [of the District of Columbia]* or by filing a bill in equity, *but not both*" (*Hoover v. Coe,* 325 U. S. 77, 84; (1944).**

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* Changed to the Court of Customs and Patent Appeals by the Act of March 2, 1929, 45 Stat. 1476 (Appendix A, *infra,* p. 29).

** Emphasis added in all quotations in this petition.

It is clear that, when Congress in the 1927 and 1929 amendments to Sections 4911 and 4915 R. S. provided alternative remedies on an adverse decision of the Patent Office, either by an appeal to the Court of Customs and Patent Appeals under Section 4911 R. S., or by a bill in equity under Section 4915 R. S., Congress intended that the adjudications of those two Courts should have equal finality, and that the incidents of *res judicata* should attach to each. Under this revised procedure, neither of those courts was intended to review the action of the other. Congress did not intend that the Commissioner of Patents should be confronted with conflicting judgments of a Court of equity under Section 4915 R. S. and of the Court of Customs and Patent Appeals under Section 4911 R. S., involving the same parties and the same operative facts.

Prior to the 1927 amendment, the Commissioner of Patents could not have received such conflicting judgments, because the decisions of the Court of Appeals of the District of Columbia on appeals from the Patent Office under Section 4911 R. S. were specifically subject to review by a bill in equity under Section 4915 R. S. in the District Court (Appendix A, *infra*, p. 30). Appeal and review were not alternative, and mutually exclusive, procedures as they now are; they were merely successive procedural steps in a hierarchy of inferior and superior courts.

Since 1929, when the Court of Appeals of the District of Columbia was relieved of appellate review of Patent Office proceedings, and perhaps because of its previous intimate knowledge of Patent Office problems and procedures, that Court has consistently upheld the conclusiveness of adjudications of fact by a tribunal of the Patent Office or by the Court of Customs and Patent

Appeals (cases cited, *ante,* p. 12). Specifically where the latter Court has passed adversely on the issue of *fraud* in an interference under Section 4911 R. S., the Court of Appeals has not permitted that issue to be relitigated in an action on a different claim under Section 4915 R. S. (*Taylor v. Marzall,* 196 F. 2d 592, *ante,* p. 13).

3. The Decision of the Court Below is Believed to be Erroneous

The legal question raised by Point I has to do with the effect of an adjudication in making facts found in one litigation conclusive between the parties thereto, or their privies, in subsequent litigation on a different claim. The classic statement defining the principles involved is found in *Cromwell v. County of Sac,* 94 U. S. 351, 24 L. Ed. 681 (1876) and has been embodied in the general rule of collateral estoppel found in *Restatement, Judgments* (1942), Sec. 68 (1): "Where a question of fact essential to the judgments is actually litigated and determined by a valid and final judgment, the determination is conclusive between the parties in a subsequent action on a different cause of action * * *"

It is believed that the adjudications of the Patent Office tribunals and the Court of Customs and Patent Appeals in interference proceedings Nos. 77,671 and 77,672 are conclusive on the issues of fraud and priority between petitioner and respondents in the present action.

(a) The Parties are the Same in Both Actions.

The parties, or their privies, to the first action (Interferences Nos. 77,671 and 77,672), which was adjudicated by the tribunals of the Patent Office and by the Court of Customs and Patent Appeals, are the parties to the second action in the Court below, with the exception of the co-defendant, Kauffman.*

In the first action, the record parties were Jantz (who died in 1941) and respondent, Etten. The Jantz application there involved had been assigned to petitioner on March 16, 1938, more than a year before those interferences were declared (Findings 2 and 15 in the 1949 opinion of the District Court, Appellees' Appendix, *supra*, pp. 31b and 34b). Patent 2,406,951, which was later granted on that application, issued to petitioner.

The 1935 Etten application and Etten patent 2,054,970 were also involved in those same interferences. The application was assigned to respondent, Chamberlain Corporation in 1935; and the patent issued to Chamberlain Corporation in 1936, as assignee. Both that patent and application were later assigned back to Etten on September 22, 1943, and were finally reassigned to Chamberlain Corporation on March 1, 1944, after the suit below had been filed (Findings 5, 8, 14 and 18 in the 1954 opinion of the District Court, Appellees' Appendix, *supra*, pp. 90b, 91b, 93b, and 94b).

(b) The Issues of Priority and Fraud were Adjudicated in the First Action.

In the first action, involving interferences 77,671 and 77,672 there is no doubt that the issue of *priority* between Etten and Jantz was actually litigated in and determined by the Court of Customs and Patent Appeals, or that such determination was essential to the Court's judgment awarding priority to Jantz on all counts. (See decision of Court of Customs and Patent Appeals, 142 F. 2d 680 (1944), Appendix B, pp. 99-112.)

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* See footnote, *ante*, p. 5. explaining Kauffman's status in this case. The presence of an additional party in the second action does not affect the application of *res judicata*. See *Green v. Bogue*, 158 U. S. 478, 503, 15 S. Ct. 975, 39 L. Ed. 1061, 1070.

The question of whether the issue of *fraud* was also determined by the Court of Customs and Patent Appeals so as to operate as bar in the present suit, admittedly requires closer examination.

The decision of the Court of Customs and Patent Appeals contains no reference to the issue of fraud and, without more, would not be an adjudication of that issue. However (as pointed out, *ante*, p. 8), before the decision had become final and before it had been sent with the Court's certificate, or mandate, to the Patent Office, Etten raised the issue of fraud in his petition to the Commissioner of Patents. This petition sets forth much, but admittedly not all, of the evidence on fraud that was later introduced in the District Court below, including depositions taken in the present action and "hundreds" of papers introduced with those depositions (Appendix B, p. 32). The quantum of that evidence is not material. What is material is that the issue of fraud was raised and then was litigated.*

The details of that litigation are set forth above *ante*, pp. 8, 9). The decision of the Board of Interference Examiners, and later the Commissioner of Patents, was adverse to Etten, and no appeal was taken therefrom. Nor did Etten apply for any rehearing or bill of review in the Court of Customs and Patent Appeals, as he might have done. See *Josserand v. Taylor,* 159 F. 2d 249 (C. C. P. A. 1946).

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* As stated by Judge Goodrich in *United States v. Silliman*, 167 F. 2d 607, 617 (3 Cir., 1949), where the issue of fraud was held to have been adjudicated in a prior action on a different claim: "If an issue is raised, and the party who has the burden fails in his proof, and the issue is decided against him, he is just as much bound by collateral estoppel as though he had presented a barrel of testimony."

It is also significant that the Court of Customs and Patent Appeals held its decision in abeyance, so that the question of fraud could be investigated, and did not permit its decision to become final until that issue had been determined adversely to Etten. Since it is inconceivable that the declared decision of that Court would ever have become final if the fraud issue had been determined in favor of, rather than adversely to, Etten, that determination was essential to support the judgment of that Court in favor of Jantz. It is submitted that this was an adjudication to the effect that no fraud was present.

In *Fayerweather v. Ritch,* 195 U. S. 276, 25 S. Ct. 58 (1904), a judgment was held to be conclusive of every issue of fact, the determination of which was essential to support it. And, in *National Foundry & Pipe Works v. Oconto City,* 183 U. S. 216, 22 S. Ct. 11 (1901), this Court held that matters which follow as an inevitable inference from an adjudication, because the judgment could not have been rendered without them, are as effectively concluded as those specifically adjudicated.

Moreover, under the general principles of *res judicata,* it should make no difference whether the Court of Customs and Patent Appeals, or the tribunals of the Patent Office, finally determined the issue of fraud, since either was competent to do so and the proceedings held on Etten's petition actually afforded him a full hearing on the merits, and since the absence of fraud was a necessary determination in finally disposing of that proceeding in Jantz's favor.

(c) The First Action was Adjudicated by a Competent Tribunal and Was a Final Adjudication.

Conclusiveness of judgments is a universal principle of jurisprudence, and does not depend on the particular tribunal whose judicial action has been invoked, so long as the jurisdiction of that tribunal is competent and its judgment final. It accordingly applies wherever the parties submit their controversy to a body of competent jurisdiction, whether that body be a constitutional court of the United States, a court of more limited or inferior jurisdiction, or an administrative agency charged with exercise of judicial powers.

Even if it should be held that the Court of Customs and Patent Appeals did not itself determine the issue of fraud in the first action between these parties (interferences Nos. 77,671 and 77,672), and that such determination was not essential to support its judgment, there is no question but that the issues of priority and fraud were actually litigated and determined by a Patent Office tribunal and by the Commissioner of Patents (Appendix B, pp. 48-98). No appeal having been taken from that determination, it is therefore final. Under such circumstances, the principles of *res judicata* should apply with the same force as if the issue had been expressly determined by the Court of Customs and Patent Appeals. This is not a case where the administrative officer or tribunal exceeded the granted authority. The investigation of fraud in the prosecution of a patent application is clearly within the broad powers of the Commissioner of Patents; his determination thereon was not incidental to the exercise of his judicial authority, but was a determination made in the doing of the very thing that he was empowered to do *In re Heany,* 171 O. G. 983 (1911).

This Court has frequently held that the decisions of administrative bodies, from which no appeal is taken, have all the incidents of final judgments and are binding upon the parties thereto; *Interstate Commerce Commission v. Brimson,* 154 U. S. 447; 14 S. Ct. 1125; 38 L. Ed. 1047, a judicial determination by the Interstate Commerce Commission; *Lynch v. DeBernal,* 76 U. S. 315; 19 L. Ed. 714 a judicial determination by a Board of Commissioners on a claim for lands; and *Myers v. International Trust Company,* 263 U. S. 64; 44 S. Ct. 86; 68 L. Ed. 165 (1923), a finding of no fraud on the part of a bankrupt in a bankruptcy court, precluded a creditor from recovering in a subsequent action of deceit against the bankrupt.

Moreover, in *United States ex rel. Bernardin v. Duell,* 172 U. S. 576, 580; 19 S. Ct. 286; 43 L. Ed. 559, (1899), this Court held that a proceeding in the Court of Appeals of the District of Columbia (since 1929 the Court of Customs and Patent Appeals) on an appeal in an interference controversy "presents all the features of a civil case, a plaintiff, a defendant, and a judge, and deals with a question judicial in its nature, in respect of which the judgment of the court is final * * * such a judgment is none the less a judgment 'because its effect may be to aid an administrative or executive body in the performance of duties legally imposed upon it by Congress in execution of a power granted by the Constitution.' "

The present case is to be distinguished from *Morgan v.* Daniels, 153 U. S. 120 (1893), where it was held that a decision of the Commissioner of Patents should prevail in a later equity suit under Section 4915 R. S., unless *new evidence* was introduced that carried "thorough conviction" that the decision of the Commissioner was wrong.

In that case, the equity suit was brought to set aside the decision of the Commissioner of Patents *in the same case* and was, in effect, a review of that decision. In the present case, the action of the Patent Office tribunals and of the Court of Customs and Patent Appeals in interferences Nos. 77,671 and 77,672 was in a *different* case between the same parties; it was final and not subject to review in an equity proceeding. This distinction follows from the 1927 and 1929 amendments of Sections 4911 and 4915 R. S., previously adverted to.

The statement by the District Court in its 1949 opinion; (Appellees' Appendix, *supra*, p. 39b) that the doctrine of *res judicata* has no application to "concurrent, copending, or companion interferences" is not tenable. *Res judicata* has always been applicable in copending actions, and the final judgment first rendered in either case becomes conclusive in the other, regardless of which action was brought first. This is the position of the *Restatement, Judgments* (1942), Section 68, comment *t*.

With respect to the count in the amended complaint under Section 4918 R. S., no case has been been found since the 1927 amendment of Section 4911 R. S., in which the question of *res judicata* has arisen, on facts similar to those in the present case. Section 4918 R. S. (Appendix A, *infra*, p. 31) creates a proceeding in the District Court to determine issues of priority and validity where there are *interfering patents*. It is submitted that there can be no valid distinction, under the facts of the present case, between the conclusiveness of an adjudication under Section 4911 R. S. in a suit brought under Section 4915 R. S. and the conclusiveness of the same adjudication in a suit under section 4918 R. S. Both sections 4915 and 4918 R. S. authorize suits *de novo* in the District Court, and under both respondents here seek to relitigate issues of fact that were finally determined adversely to them in an independent proceeding under Section 4911 R. S.

POINT II

The District Court Had No Jurisdiction to Enter a Final Judgment Under Section 4918 R. S., After One of the Two Interfering Patents Involved Had Expired.

Under Section 4918 R. S. (Appendix A, *infra,* p. 31), any person interested in one of two interfering patents may have relief against the interfering patentee by a suit in equity, and the Court may declare either or both of the patents void in whole or in part upon any ground, but such an adjudication does not affect the rights of any one except the parties to the suit and their assigns.

In the present case, the two interfering patents are the Etten patent 2,054,970, issued on September 22, 1936, and Jantz patent 2,406,951, issued on September 3, 1946.

Etten patent 2,054,970 expired on September 22, 1953, after the previous judgment of the District Court had been vacated in its entirety (Appellees' Appendix, *supra,* p. 85b), and before the entry of the final judgment of that Court on July 19, 1954, from which the present appeal was taken (Appellees' Appendix, *supra,* pp. 112b-115b). In the latter judgment (paragraphs 2 and 3), the District Court held the Jantz patent invalid and awarded priority to Etten as to all conflicting subject matter in the two patents.

Since the Etten patent had expired, it is submitted that the District Court at the time of entering its 1954 judgment no longer had jurisdiction of an action under Section 4918 R. S.

The judgment of the Court below on this point is in direct conflict with a decision of the Court of Appeals for the Second Circuit in *Engler v. General Electric*, 144 F. 2d 191 (2 Cir., 1944), the only other case that has been found to have considered this question.

In the *Engler* case, the complaint for patent infringement included a count under Section 4918 R. S., in which it was alleged that plaintiff's patent in suit interfered with two patents owned by defendant. Plaintiff's patent expired before the commencement of the trial, and the count under Section 4918 R. S. was dismissed by the District Court as "no longer a live issue" between the parties (49 F. Supp. 782). The Court of Appeals affirmed, on the ground that the District Court had no jurisdiction under Section 4918 R. S. after that patent had expired, stating (p. 195): "R. S. Sec. 4918 in terms provides a remedy only when there are interfering patents. An applicant for a patent may not maintain a suit under the provisions of this statute before his patent is granted * * * For like reasons, the owner of an expired patent cannot maintain such a suit since the claims of an expired patent are no longer of any force or effect and cannot be in interference with those of any other patent." The Court pointed out that a proceeding under this statute did not affect the rights of any person except the parties to the suit and those subsequently deriving title under them.

It is submitted that the Court below had no jurisdiction to enter its 1954 judgment under Section 4918 R. S.

POINT III

The Invention Claimed in Etten's 1935 Application Was in Public Use More Than Two Years Before He Filed His Application, and No Patent Should Be Issued Thereon.

The judgment below affirms the final judgment of the distict court that Etten is entitled to a patent on his 1935 application, S. N. 38,932, (Paragraph 5, of 1954 judgment of district court, Appellees' Appendix, *supra*, p. 114b). It is submitted that the judgment is erroneous, because the invention claimed in that application was in public use more than two years before the application was filed on September 3, 1935, (Section 4886 R. S.; Appendix A. *infra*, p. 31).

The district court below *found as a fact* that Jantz had completed his invention, embodied in physical Exhibit "O", and reduced it to practice, "sometime during the month of April, 1933" (Finding 24, in the 1949 Opinion of the district court, Appellees' Appendix, *supra*, p. 36b). In addition, the district court found that the sample wringer model, Exhibit "O", was definitely in existence during the month of June, 1933; that it was publicly used by Jantz during that month to show to prospective customers; that Jantz actually obtained commercial orders for the wringer, including an order of the Nineteen Hundred Corporation, dated June 20, 1933; and that commercial manufacture of those wringers was begun sometime in the following fall or winter after production dies had been ordered (Appellees' Appendix, *supra*, pp. 50b-51b; also footnote 67, at pp. 55b-56b).

The foregoing use by Jantz of a wringer in June of 1933 occurred more than two years before Etten filed his 1935 application on September 3, 1935. The use involved the public demonstration of a finished device to prospective customers in the ordinary course of business. It was not an experimental use, but a use for profit and, therefore a public use. See *Smith & Griggs v. Sprague,* 123 U. S. 249, 8 S. Ct. 122, 31 L. Ed. 141 (1887); *Thomson Houston v. Lorraine Steel,* 117 Fed. 249, (2 Cir., 1902); and *In re Bertram,* 88 F. 2d 834 (C. C. P. A. 1937). This court has held that the issuance of a patent should not be authorized under Section 4915 R. S., *unless the invention is patentable* (*Hill v. Wooster,* 132 U. S. 693, 698, 10 S. Ct. 228, 33 L. Ed. 502, 505).

This issue of public use was not argued before the district court; but was argued in the Court of Appeals below, and decided adversely to petitioner on the *sole* ground that the findings of the district court did not support petitioner's contention that Jantz's Exhibit "O" wringer was in existence in June, 1933. Specifically, after indicating that the defense would be valid if the June dates were correct, the Court of Appeals said (pp. 6-7 of the printed opinion of June 30, 1955):

> "But the district court found that the date of completion was after September 21, 1933, because the dies from which the parts of the wringer were made were not in existence until sometime after that date. With these findings, supported by the evidence cited by the district court in its opinion disappears the argument."

The foregoing statement of the Court of Appeals does not overrule any finding of the district court; it mistakingly misinterprets those findings. The finding of the district court referred to and relied upon was not intended to apply, and does not in fact apply, to the Exhibit "O" wringer but to a later and different wringer, identified as Plaintiffs' Exhibit 101.

After a petition for rehearing to correct this mistake was denied, petitioner filed with the court below, on December 8, 1955, a petition for leave to file a supplemental petition for rehearing, (Appendix B, pp. 113-122), which was denied on December 12, 1955 (Appendix B, p. 125). This latter petition points out, and explains in detail, the mistake made by the Court of Appeals in misinterpreting one finding of the district court and ignoring others. The attention of this Court is respectfully directed to that petition for the admitted and adjudicated facts regarding the public use of Jantz Exhibit "O" in June, 1933.

Respondents, in opposing the allowance of the foregoing petition, did not deny any of the facts set forth therein or deny that the Court of Appeals had been mistaken in holding that Exhibit "O" was not in existence and used to solicit orders in June of 1933 (Exhibit B, pp. 122-125).

In view of the importance of this question of public use as a bar to the issuance of a patent in Etten's 1935 application, it is submitted that this Court should give legal effect to the adjudicated findings of the district court by reversing the judgment below on this point.

Respectfully submitted,

RALPH HAMMAR,
JULIAN MILLER,
Attorneys for Petitioner.

Appendix A—Statutes

Revised Statutes, Sec. 481, 35 U. S. C., Sec. 6: The Commissioner of Patents, under the direction of the Secretary of Commerce, shall superintend or perform all duties respecting the granting and issuing of patents directed by law; and he shall have charge of all books, records, papers, models, machines, and other things belonging to the Patent Office.

Revised Statutes, Sec. 4904, 35 U. S. C. 52. Whenever an application is made for a patent which, in the opinion of the Commissioner, would interfere with any pending application, or with any unexpired patent, he shall give notice thereof to the applicants, or applicant and patentee, as the case may be, and shall direct the primary examiner* to proceed to determine the question of priority of invention * * *.

Section 4911 R. S. (As Approved June 22, 1874). If such party, except a party to an interference, is dissatisfied with the decision of the Commissioner, he may appeal to the Supreme Court of the District of Columbia, sitting *in banc.*

Section 9 (Judiciary Act of 1893). That the determination of appeals from the decision of the Commissioner of Patents, now vested in the general term of the Supreme Court of the District of Columbia, in pursuance of the provisions of section seven hundred and eighty of the Revised Statutes of the United States, relating to the District of Columbia, shall hereafter be and the same is hereby vested in the Court of Appeals created by this act; and in addition, any party aggrieved by a decision of the Commissioner of Patents in any interference case may appeal therefrom to said Court of Appeals.

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* 1939 amendment 53 Stat. 1212, changed "the primary examiner" to "a board of three examiners of interferences".

Revised Statutes, Sec. 4911, as amended by Act of Mar. 2, 1927, 44 Stat. 1335; Mar. 2, 1929, 45 Stat. 1476, 35 U. S. C. 59a. If any applicant is dissatisfied with the decision of the Board of Appeals, he may appeal to the United States Court of Customs and Patent Appeals, in which case he waives his right to proceed under section 4915 of the Revised Statutes. (U. S. C., title 35, sec. 63.) If any party to an interference is dissatisfied with the decision of the Board of Appeals,* he may appeal to the United States Court of Customs and Patent Appeals, provided that such appeal shall be dismissed if any adverse party to such interference shall within twenty days after the appellant shall have filed notice of appeal according to section 4912 of the Revised Statutes (U. S. C., title 35, sec. 60), file notice with the Commissioner of Patents that he elects to have all further proceedings conducted as provided in section 4915 of the Revised Statutes. Thereupon the appellant shall have thirty days thereafter within which to file a bill in equity under said section 4915 in default of which the decisions appealed from shall govern the further proceedings in the case.

Section 4915 R. S. (As Approved June 22, 1874). Whenever a patent on application is refused, either by the Commissioner of Patents or by the Supreme Court of the District of Columbia upon appeal from the Commissioner, the applicant may have remedy by bill in equity; and the court having cognizance thereof, on notice to adverse parties and other due proceedings had, may adjudge that such applicant is entitled, according to law, to receive a patent for his invention, as specified in his claim, or for any part thereof, as the facts in the case may appear. And such adjudication, if it be in favor of the right of the applicant, shall authorize the Commissioner to issue such patent on the applicant filing in the Patent Office a copy of the adjudication, and otherwise complying with the requirements of law. * * *

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* 1939 amendment, 55 Stat. 1212, changed "Board of Appeals" to "board of interference examiners".

Revised Statutes, Sec. 4915, as amended by Act of Mar. 2, 1927, 44 Stat. 1335, Act of Mar. 2, 1929, 45 Stat. 1476, 35 U. S. C. 63. Whenever a patent on application is refused by the Commissioner of Patents, the applicant, unless appeal has been taken from the decision of the Board of Appeals to the United States Court of Customs and Patent Appeals, and such appeal is pending or has been decided, in which case no action may be brought under this section, may have remedy by bill in equity, if filed within six months after such refusal; and the Court having cognizance thereof, on notice to adverse parties and other due proceedings had, may adjudge that such applicant is entitled, according to law, to receive a patent for his invention, as specified in his claim or for any part thereof, as the facts in the case may appear. And such adjudication, if it be in favor of the right of the applicant, shall authorize the commissioner to issue such patent on the applicant filing in the Patent Office a copy of the adjudication and otherwise complying with the requirements of the law. * * *

Revised Statutes, Sec. 4915, as amended by Act of August 5, 1939, 53 Stat. 1212, 35 U. S. C. 63. Whenever a patent on application is refused by the *Board of Appeals or whenever any applicant is dissatisfied with the decision of the board of interference examiners,* the applicant, unless appeal has been taken to the United States Court of Customs and Patent Appeals, and such appeal is pending or has been decided in which case no action may be brought under this section, may have remedy by bill in equity if filed within six months after such refusal or decision; and the Court having cognizance thereof on notice to adverse parties and other due proceedings had, may adjudge that such applicant is entitled, according to law, to receive a patent for his invention, as specified in his claim or for any part thereof, as the facts in the case may appear. And such adjudication, if it be in favor of the right of the applicant, shall authorize the commissioner to issue such a patent on the applicant filing in the Patent Office a copy of the adjudication and otherwise complying with the requirements of law. * * *

Revised Statutes, Sec. 4918, as amended by Act of Mar. 2, 1927, 44 Stat. 1335, 35 U. S. C. 66. Whenever there are interfering patents, any person interested in any one of them, or in the working of the invention claimed under either of them, may have relief against the interfering patentee, and all parties interested under him, by suit in equity against the owners of the interfering patent; and the Court, on notice to adverse parties, and other due proceedings had according to the course of equity, may adjudge and declare either or both the patents void in whole or in part upon any ground, or inoperative, or invalid in any particular part of the United States, according to the interest of the parties in the patent or the invention patented. But no such judgment or adjudication shall affect the right of any person except the parties to the suit and those deriving title under them subsequent to the rendition of such judgment.

Sec. 4886. (U. S. C., title 35, sec. 31.) Amended by act of May 23, 1930, 46 Stat. L. 376. Any person who has invented or discovered any new and useful art, machine, manufacture, or composition of matter, or any new and useful improvements thereof, or who has invented or discovered and asexually reproduced any distinct and new variety of plant, other than a tuber-propagated plant, not known or used by others in this country, before his invention or discovery thereof, and not patented or described in any printed publication in this or any foreign country, before his invention or discovery thereof or more than two years prior to his application, and not in public use or on sale in this country for more than two years prior to his application, unless the same is proved to have been abandoned, may, upon payment of the fees required by law, and other due proceeding had, obtain a patent therefor.

FILED

JAN 16 1956

HAROLD B. WILLEY, Cl

IN THE

Supreme Court of the United States

October Term, 1955.

No. 593

WALTER L. KAUFFMAN II, and LOVELL MANUFACTURING COMPANY,

Petitioners,
Defendants-Appellants,

vs.

NICHOLAS L. ETTEN and CHAMBERLAIN CORPORATION,

Respondents,
Plaintiffs-Appellees.

RESPONDENTS' BRIEF IN OPPOSITION TO DEFENDANTS-APPELLANTS' PETITION FOR WRIT OF CERTIORARI.

Charles F. Meroni,
Hill, Sherman, Meroni, Gross & Simpson,
53 West Jackson Boulevard,
Chicago 4, Illinois,
Isaac J. Silin,
G. Daniel Baldwin Building,
Erie, Pennsylvania,
Attorneys for Respondents.

Dated at Chicago, Illinois,
January 13, 1956.

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IN THE

Supreme Court of the United States

OCTOBER TERM, 1955.

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WALTER L. KAUFFMAN II, AND LOVELL
MANUFACTURING COMPANY,
Petitioners,
Defendants-Appellants,
vs.

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Respondents,
Plaintiffs-Appellees.

RESPONDENTS' BRIEF IN OPPOSITION TO DEFENDANTS-APPELLANTS' PETITION FOR WRIT OF CERTIORARI.

CONCURRING PATENT AND FRAUD DECISIONS INVOLVED IN PETITION.

From the standpoint of this Petition, the major opinions below are the trial court's original fifty-two page opinion reported at 83 Fed. Supp. 178 which was re-asserted in the second opinion of the lower court dated April 30, 1954, on which that court's order and judgment of July 19, 1954 is based, reported at 121 Fed. Supp. 291; and the opinion of the Court of Appeals dated June 30, 1955, affirming

in toto all of the previous decisions of the trial courts and reported at 225 F. 2d 844.

In addition, Defendants-Appellants *filed three petitions for reconsideration* with the Court of Appeals, all of which were denied with the sole exception that the court vacated (225 F. 2d 849) Paragraph 8 of the trial court's judgment of July 19, 1954, in which attorneys' fees had been awarded to the prevailing Plaintiffs. This last judgment of the Court of Appeals is not alleged as error in the main Petition but is the basis of the Plaintiffs-Appellees' co-pending Cross-Petition herein.

For the convenience of the Court, Respondents have separately filed a printed volume containing the opinions and judgments of the courts below.

NONE OF THE THREE QUESTIONS PRESENTED IN THE PETITION QUESTION THE FACTUAL FINDINGS OF THE CONCURRING DECISIONS BELOW AS TO DEFENDANTS' SORDID FRAUD, IT BEING THEIR POSITION THAT DESPITE THEIR OTHERWISE ADMITTED UNCLEAN HANDS, THEY ARE ENTITLED TO A REVERSAL OF THE DECISIONS ON THE BASIS OF TECHNICAL POINTS OF LAW.

The Petitioners-Defendants, despite their unclean hands, by virtue of the sordid fraud held to have been practiced by them in concurring and repeated decisions below, have the unmitigated temerity to petition this Court to intervene and set aside such decisions solely on the basis of technical points of law. Nowhere in the Petition do the Petitioners challenge the correctness of the factual findings of the courts below as to fraud. The Petitioners, in reality, say, in substance, to this Court, "*We do not question the factual findings as to our having committed sordid and highly reprehensible fraud, but rather question the legal authority of the courts below in making such findings.*"

In the case of Question 3, they even admitted, on page 26 of their Petition, that they belatedly raised the question of prior public use since they had not raised it at all in the trial court. They could have even gone further and said that they had not pleaded such a defense nor had they offered any testimony or evidence of their own thereon in open court during the trial. Yet, they believe, despite their protracted dilatory tactics during the long course of this litigation (now pending some eighteen years altogether), that they still can belatedly raise any new issues that they might contrive to meet the exigencies of their unconscionable position. The Petition contravenes completely the spirit and intent of the decisions and mandates of this Court in the patent fraud cases of *Hazel-Atlas Glass Co.* v. *Hartford Empire Co.,* 322 U. S. 238, and *Precision Instrument Manufacturing Co., et al.* v. *Automotive Maintenance Machinery Co.,* 324 U. S. 806, and which were relied on by the courts below (83 Fed. Supp. 178, 185).

In reality, their *Petition raises no new question in a fraud case that is not completely answered by the classic decisions of this Court in the aforesaid two decisions and, hence, should be denied.*

BY QUESTION 1, PETITIONERS SEEK TO EVADE THE CONSEQUENCES OF THEIR WRONGDOING UNDER THE SO-CALLED DOCTRINE OF ESTOPPEL BY RES ADJUDICATA.

This question advances no new point not fully and exhaustively considered in the concurring decisions of the courts below. The trial court in its very first opinion of February 28, 1949, 83 Fed. Supp. 178, fully and correctly analyzed the question of *res adjudicata* under the heading "Discussions of Law" commencing at page 184 of the opinion.

The court also pointed out, consistent with the mandate of this Court in the aforesaid decisions, that “There is also a public interest involved in the present case.[14] If plaintiff is estopped it will result in defendant's retention until September 3, 1963, ten years greater than plaintiff's, of a monopoly grant which plaintiff alleges was improperly and fraudulently obtained.[15]” (Page 185.)

In affirming the trial court's most exhaustive treatment of the subject, the Court of Appeals, under its Paragraph 5 entitled “Patent Appeals Decision as *Res Judicata*,” 225 F. 2d 844, said:

> “The appellants urge upon us that the plaintiffs are precluded from suing here by an earlier decision of the Court of Customs and Patent Appeals in *Etten* v. *Jantz*, 1944, 142 F. 2d 680, 31 C. C. P. A. Patents 1177. This question was met head-on by the district court in the opinion in 83 F. Supp. earlier cited. It is discussed by the district judge on pages 184, 185 and 186. *He cites authorities which we have checked and find in point. We cannot state the matter any better than he does and adopt his discussion on this point as our own.* The district court held that the plaintiff, Etten, was not foreclosed by the litigation in the Court of Customs and Patent Appeals, and its reasoning is fully applicable to the now co-plaintiff, Chamberlain.[1]” (Emphasis ours.) (Pages 847-848.)

It has long been established that this Court will not, as a general rule, disturb concurring decisions below and especially should this be true where the public interest is at stake by virtue of uncontroverted fraud of the Petitioners.

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UESTION 2, PETITIONERS SEEK TO TAKE ADVAN- E OF THEIR HAVING FRAUDULENTLY CAUSED PROTRACTED THIS LITIGATION WHEREBY PLAIN- TS' ETTEN PATENT NO. 2,054,970, ON WHICH A RE- E WAS PRAYED, EXPIRED PENDENTE LITE BY ERTING THAT THE COURTS BELOW SHOULD NOT E ENTERED JUDGMENT BECAUSE OF SUCH EX- ATION.

old with the Petitioners on this question would, in be furthering their fraudulent purposes of wrong- epriving the party Etten of his patent rights and ting the invalid Jantz Patent No. 2,406,951 on the They raise no question about the propriety or ess of the suit of Plaintiffs under 4918 R. S. (now S. C. A. 291 having to do with interfering patents), ert that despite the fact that the interfering Jantz was fraudulently procured, the court should not ntered judgment as the Etten Patent No. 2,054,970 pired after trial and before final judgment.

ificantly, the lower court, in its last judgment of , 1954, in Paragraphs 3 and 4, did not order the e of a reissue patent to Etten, but merely stated that as entitled to priority as between Jantz and Etten. e convenience of the Court, these two paragraphs roduced hereinbelow:

> '3. That as to any and all conflicting subject mat- as between the aforesaid Jantz patent No. 2,406,951 Plaintiff's Letters Patent No. 2,054,970 (on which plication for reissue Serial No. 167,775, was filed tober 7, 1937) and such as and like claims 2 and 13, application and patent of the Plaintiff, Nicholas L. en *is entitled to priority as between the parties to s suit,* and Plaintiffs Nicholas L. Etten and Cham- lain Corporation, as assignee of Nicholas L. Etten, entitled to and do hereby prevail on said issues;
>
> '4. That as between the parties to this suit the intiff, Nicholas L. Etten, is entitled to priority on

> the subject matter of the Etten application for reissue Serial No. 167,775 here in suit and *was entitled according to law* to receive Letters Patent for inventions as specified in the claims therein and including the three counts of interference No. 76,987, and Plaintiff, Nicholas L. Etten and Chamberlain Corporation, as assignee of Nicholas L. Etten, are entitled to and do hereby prevail on said issues;" (Emphasis ours.)

The concurring decisions below on this point were in keeping with the mandate of this Court in the case of *Hazel-Atlas Glass Co.* v. *Hartford Empire Co.*, 322 U. S. 238 (246), wherein it was held:

> "the public welfare demands that the agencies of public justice be not so impotent that they must always be mute and helpless victims of deception and fraud."

Merely because the Etten patent expired after trial but before final judgment is no reason why the court below should have been helpless insofar as holding, under Section 4918 R. S., the Jantz patent to be a nullity because of the fraudulent acts of the Defendants and their attorneys. It is also interesting to note that the original opinion of the trial court was entered February 28, 1949, and its judgment in conformance thereof was entered February 26, 1949, which dates were all prior to the expiration of the Etten patent. The Court of Appeals, at 184 F. 2d 737, 743, temporarily vacated the lower court's judgment so as not to hamper it in its further inquiry into the matter of title. Subsequently, however, on April 30, 1954, the trial court re-asserted, at 121 Fed. Supp. 291, its previous opinion and entered a judgment in conformance therewith.

To hold with the Petitioners on the question they now raise would result in the foisting on the public of the fraudulently procured Jantz patent which does not expire until September 3, 1963, and obviously would contravene completely the spirit and intent of the decisions of this Court in the *Hazel-Atlas Glass Co.* and *Precision Instrument Manufacturing Co., et al.* cases, *supra.*

BY QUESTION 3, PETITIONERS SEEK TO RAISE BELATEDLY AN ISSUE OF PRIOR PUBLIC USE WHICH THEY ADMITTEDLY NEVER PRESENTED TO THE TRIAL COURT AND WHICH FURTHER WAS NEVER PLEADED.

The Petitioners, Defendants-Appellants below, raised this question before the Court of Appeals and in three subsequent petitions for rehearing, all of which petitions were denied as to the point of this question. The Court of Appeals, therefore, fully considered the point and was of the view that its decision was correct and in accordance with the evidence before it.

On page 26 of their Petition, the Petitioners say, "*This issue of public use was not argued before the district court; but was argued in the Court of Appeals below, and decided adversely to petitioner.*" Consistent with their practices below, as is evident from the protracted record in this case, Defendants-Appellants labor under the misconception that in a court of equity they can continuously raise new issues at any stage in the proceedings and, even at that, despite their adjudicated unclean hands. Such abortive attempts would defeat the very purpose of a court of equity; and certainly this highest court in the land should not lend its aid to any such spurious practice. Particularly is this true as the question raised is one that was repeatedly presented to the Court of Appeals at its hearing and in the three subsequent petitions for rehearing.

The Petitioners conjecture that wringers like Jantz Exhibit "O" must have been put into public use if the Jantz

Exhibit "O" was in existence in June, 1933. Not one scintilla of evidence was presented by the Defendants below in the trial as to the specific identity of any wringers that were sold like the Jantz model, Exhibit "O". Then, too, Jantz Exhibit "O", as offered in evidence, was only part of a wringer and there is no reason for assuming, even if wringers were sold, that they did not depart from Jantz Exhibit "O".

More important still, the Defendants in their answer never did plead any defense of prior public use. It must, therefore, be assumed that the reason they did not plead such defense is that if they had, they would not have been able to have established it. It would appear that the reason they offered no such proof was that it might have reacted to their detriment, possibly under the doctrine of the case of ***Muncie Gear Co.* v. *Outboard Co.*,** 315 U. S. 759 (1942). Now, some thirteen years after this suit was filed, Defendants, who have been adjudicated as having practiced sordid and reprehensible fraud, seek the aid of this Court to raise an admittedly new defense in the futile hope that possibly they can obtain a further delay by a remanding of the case to the trial court for a belated further consideration of this issue.

Conclusions.

It is difficult to understand how the Petitioners can, in good conscience, come before this highest court in the land with the flimsy questions that they have trumped up in the hope of saving their fraudulent Jantz patent so that they can continue to foist it upon the public. The Petition should be denied in keeping with equity and justice.

Respectfully submitted,

Charles F. Meroni,
Hill, Sherman, Meroni, Gross & Simpson,
53 West Jackson Boulevard,
Chicago 4, Illinois,
Isaac J. Silin,
G. Daniel Baldwin Building,
Erie, Pennsylvania,
Attorneys for Respondents.

Dated at Chicago, Illinois,
January 13, 1956.

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HAROLD B. WILLEY,

IN THE

Supreme Court of the United States

OCTOBER TERM, 1955

No. 593

LOVELL MANUFACTURING COMPANY,
Petitioner,
vs.
NICHOLAS L. ETTEN and CHAMBERLAIN CORPORATION,
Respondents.

PETITION FOR A WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE THIRD CIRCUIT

PETITIONER'S REPLY TO RESPONDENTS' BRIEF IN OPPOSITION

RALPH HAMMAR,
510 G. Daniel Baldwin Building,
Erie, Pennsylvania,

JULIAN MILLER,
BROWN, CRITCHLOW, FLICK & PECKHAM,
1706 First National Bank Building,
Pittsburgh, Pennsylvania,

Attorneys for Petitioner.

BATAVIA TIMES, LAW PRINTERS,
BATAVIA, N. Y.

IN THE

Supreme Court of the United States

October Term, 1955

No. 593

LOVELL MANUFACTURING COMPANY,
Petitioner,
vs.
NICHOLAS L. ETTEN and CHAMBERLAIN CORPORATION,
Respondents.

PETITIONER'S REPLY TO RESPONDENTS' BRIEF IN OPPOSITION

Petitioner does not concede fraud. All of the facts as to alleged fraud were submitted to the Patent Office by respondents' present counsel (Appendix B, pp. 28-48) and the very facts which the Patent Office decided to show the *absence* of fraud (Appendix B, pp. 48-98) were the same facts which the courts below decided to show the *presence* of fraud. Petitioner submits that the Patent Office was right and that because no appeal was taken, that Patent Office decision became final.

Question 1

Respondents' argument that because of alleged fraud a court of equity is justified in disregarding the law of *res* *judicata* did not impress the Court of Appeals for the District of Columbia. *Taylor v. Marzall,* 196 F. 2d 592 (App. D. C. 1952). Nor did it impress this Court in another field. *Heiser v. Woodruff,* 327 U. S. 726, (1946).

Question 2

Respondents overlook the rule that one asserting a statutory right must bring himself within the terms of the statute. When respondents' patent expired, the statutory right under RS 4918 terminated and the authority to enter a judgment under that statute no longer existed.

Question 3

Respondents' own evidence established that Exhibit "O" was used publicly in June, 1933, for the purpose of taking orders. Appendix B, pp. 119-121.

The Board of Appeals identified Exhibit "O" and the later commercial version (Model "T" or Exhibit "S") as "substantially the same structure", Appendix B, p. 7.

A mere absence of pleading is immaterial. As in *Hill v. Wooster,* 132 U. S. 693 (1890), any ground disentitling the applicant to a patent will be noticed.

Respectfully submitted,

RALPH HAMMAR,
JULIAN MILLER,
Attorneys for Petitioner.

CORRECTED COPY

No. 594

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HAROLD B. WILLEY, C

IN THE

Supreme Court of the United States

October Term, 1955.

NICHOLAS L. ETTEN and CHAMBERLAIN CORPORATION,
Cross-Petitioners,
Plaintiffs-Appellees,

vs.

WALTER L. KAUFFMAN, II and LOVELL MANUFACTURING COMPANY,
Cross-Respondents,
Defendants-Appellants.

CROSS-PETITION FOR WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE THIRD CIRCUIT.

Charles F. Meroni,
c/o Hill, Sherman, Meroni, Gross and Simpson,
53 W. Jackson Boulevard,
Chicago 4, Illinois,

Isaac J. Silin,
c/o Brooks, Curtze and Silin,
G. Daniel Baldwin Building,
Erie, Pennsylvania,
Attorneys for Cross-Petitioners.

THE GUNTHORP-WARREN PRINTING COMPANY, CHICAGO

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Argument:

Question (1) (This relates to whether it was error for a Court of Appeals (3rd) to vacate an award of attorneys' fees, etc. in an aggravated case of sordid and reprehensible fraud in the procurement of a patent and found, in concurring decisions, to have been motivated by Defendants-Appellants' attorneys) 9

Question (2) (This pertains to the error of the aforesaid Court of Appeals in not at least remanding for further consideration by the trial court a different measure of punitive damages to be awarded to Plaintiffs who exposed and were seriously damaged by the Defendants' protracted and highly reprehensible fraud)....... 13

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IN THE

Supreme Court of the United States

October Term, 1955.

NICHOLAS L. ETTEN and CHAMBERLAIN CORPORATION,
Cross-Respondents,
Plaintiffs-Appellees,
vs.

WALTER L. KAUFFMAN, II and LOVELL MANUFACTURING COMPANY,
Cross-Respondents,
Defendants-Appellants.

CROSS-PETITION FOR WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE THIRD CIRCUIT.

OPINIONS OF THE COURTS BELOW.

The original fifty-two page opinion of the District Court written by Judge Follmer, is reported at 83 Fed. Supp. 178.

The second opinion of the lower court dated April 30, 1954, on which that court's order and judgment of July 19, 1954 is based, is reported at 121 Fed. Supp. 291.

The opinion of the Court of Appeals dated June 30, 1955 affirming, *in toto*, previous decisions of the trial court, is reported at 225 F. 2d 844.

The opinion of the same court, and which is here in issue, dated September 30, 1955, vacating Paragraph 8 of the lower Court's judgment assessing attorneys' fees, costs and expenses, is reported at 225 F. 2d 849.

For the convenience of the Court, there is being filed herewith a printed volume containing the foregoing opinions together with the judgments entered in connection therewith.

This Cross-Petition involves the propriety of the last decision of the Court of Appeals dated September 30, 1955 wherein the court vacated Paragraph 8 of the lower court's judgment assessing attorneys' fees, costs and expenses.

JURISDICTION.

The jurisdiction of this Court is invoked under § 1254(1) Title 28, United States Code Annotated. On the question of fraud in the procurement of a patent, the Cross-Petitioners rely on:

> *Hazel-Atlas Glass Co.* v. *Hartford Empire Co.*, 322 U. S. 238.
>
> *Precision Instrument Manufacturing Co., et al.* v. *Automotive Maintenance Machinery Co.*, 324 U. S. 806.

JUDGMENT TO BE REVIEWED.

The judgment to be reviewed and to which this petition is directed is dated September 30, 1955 and is reported at 225 F. 2d 849; this judgment having been entered by the Court of Appeals for the Third Circuit on Defendants-Appellants' petition for rehearing and involves only the vacating of Paragraph 8 of the judgment of the District Court dated July 19, 1955.

QUESTIONS.

The legal questions that are here presented for consideration revolve around the propriety of the Court of Appeals vacating the Lower Court's judgment as to attorneys' fees, expenses and costs in connection with the interference proceedings in which "sordid" fraud was found to have been perpetrated.

1. Where not only Defendants in long pending aggravated fraud and patent litigation but officers of the Court, namely, their own lawyers, practiced "sordid" fraud and such lawyers were found in concurring decisions below to have motivated the fraud, was it the intention of Congress to grant the Court of Appeals the discretionary right to vacate an award of attorneys' fees, costs and expenses to the prevailing Plaintiffs who exposed the fraud in the absence of any showing of abuse of discretion by the Trial Court or unreasonableness of the award?

2. Was the Court of Appeals in error in vacating the award of attorneys' fees and costs and expenses, (as a measure of punitive damages and in lieu of actual damages), for the entire period of the fraudulently conducted Patent Office proceedings beginning prior to the filing of the suit (because of Defendants' "sordid" fraud specifically found to have been motivated by Defendants' attorneys) without remanding the case for further consideration by the trial court or for an accounting for damages occasioned by the otherwise affirmed fraudulent conduct?

It will be noted that on or about December 7, 1950 your Cross-Petitioners filed a petition to this Court in connection with a different and earlier decision of the Court of Appeals wherein it awarded printing costs to the Defendants-Appellants because of having to remand the case to the Lower Court to inquire further into the question of title. That petition, which was refused by this Court, did not raise the same questions as are here presented in this cross-petition.

FEDERAL STATUTES AND FEDERAL COURT RULES.

35 U. S. C. A. 285.
35 U. S. C. A. 291.
Sec. 4915, R. S. 35, U. S. C. A., Sec. 63, Prior to August 5, 1939 Amendment.
Sec. 4918, R. S., 35 U. S. C. A., Sec. 66.
Sec. 1254(1), Title 28 U. S. C.

STATEMENT OF CASE.

Your Cross-Petitioners, Nicholas L. Etten and Chamberlain Corporation, Plaintiffs-Appellees below, in long pending litigation[1] and the prevailing parties in a suit under Sections 4915 R. S. (35 U. S. C. A. Sec. 63) to obtain Letters Patent, a suit under Section 4918 R. S. (35 U. S. C. A. Sec. 66) to declare the defendant company's Jantz Patent No. 2,406,951 invalid, and in a suit for damages, fraud and conspiracy in the procurement of the Jantz patent, respectfully pray a writ of certiorari to the United States Court of Appeals for the Third Circuit to review the amended judgment entered by that Court on September 30, 1955 (on Appellants' Petition for Rehearing) 225 F. 2d 849 vacating Paragraph 8 of the judgment of the District Court dated July 19, 1954 with directions to the Lower

---

[1] This litigation arose from Patent Office interference proceedings commenced February 15, 1938 and taken to the District Court on October 22, 1943, and involves still pending application Serial No. 167,775 of plaintiff, filed in the Patent Office on October 7, 1937 for a reissue of Etten Patent No. 2,054,970 (which expired on September 22, 1953), and also involves still pending Etten application Serial No. 38,932, filed November 3, 1935. (See 83 Fed. Supp. 178).

Court to delete from the paragraph the allowance of counsel fees in connection with the interference proceedings; the judgment in all other respects being affirmed.

This cross petition relates particularly to the measure of punitive damages for "sordid" fraud held to have been motivated by Defendants' attorneys.

The question here involved is solely a legal one and can be determined from the aforesaid judgments and opinions of the Lower Court reported at 83 Fed. Supp. 178, 121 Fed. Supp. 291 and 225 F. 2d 844 and 849. The trial court in its original fifty-two page decision of February 28, 1949, reported at 83 Fed. Supp. 178, decided all of the counts in favor of the Plaintiffs or Cross-Petitioners here, including the count of fraud and as to the latter made the following significant summary which is quoted for the convenience of this Court:

> "*That there was a deliberate effort on the part of Lord, Herbsleb, and Kauffman* to step-up the Jantz date of invention and reduction to practice on behalf of Lovell Manufacturing Company *without regard to the truth thereof,* is apparent throughout these proceedings and certainly *must be characterized as fraud* in connection with the obtaining of a finding of priority in favor of Jantz and the subsequent issuance of a patent thereon.
>
> "*While this conduct on the part of Lord, Herbsleb, and Kauffman was in my judgment reprehensible in the extreme,* I am constrained under the circumstances of the case to deny plaintiff's claim for damages on the ground of conspiracy. I do find as a fact, however, that such fraud was a major contributing factor in the award of priority to Jantz and the subsequent issuance of a patent on his application by the Patent Office; furthermore I also find as a fact that *the chief motivating forces throughout this entire build-up procedure were Lord and Herbsleb, both attorneys but neither one a defendant.*

> "The action here was brought to determine the priority of the claims between the two parties. The proceedings continued over a long period of time and finally reached the point where all parties agreed that the 4915 and 4918 suits were finished business and an order was entered on December 9, 1947, confirming this understanding. In the light of this agreement and confirming order, defendant cannot now by dilatory motion be permitted to raise a question of which he was fully cognizant prior to the agreement and order, and which is not predicated on any newly discovered evidence." (Emphasis ours.) (Pages 196 and 197.)

In advance of this summary, the Court made the following ultimate findings of fact:

> "It is now clearly apparent that Jantz knew and that the fact was that his Toggle Release Wringer (Exhibit 'O') was not completed and reduced to practice until sometime in March or April 1933. The concealment of material records and knowledge on the part of Herbsleb, Lord, and Kauffman; the use of records out of context, as in the use of the infringement notice of June 17, 1932, in the face of the remaining correspondence in their files giving an entirely different time element to that event, and the personal knowledge of Lord and Herbsleb concerning the same; the now quite evident pressure brought upon Jantz, an aged man of 82 rather than the age of 65 given in his deposition; the advantage taken of his straightened circumstances; the false picture given by the concealment of the true party in interest; the eliciting of statements in the depositions of witnesses which *in the light of their own personal knowledge they must have known were not true, present a sordid picture.*" (Emphasis ours.) (Page 194.)

When the case was remanded by the Court of Appeals in 184 F. 2d 737 for a further inquiry into title, the Trial Court, at 121 Fed. Supp. 291, repeated its previous findings as to fraud and also repeated, in substance, its original judgment deciding all counts in favor of the Plaintiffs and awarded the Plaintiffs costs, expenses and reasonable counsel fees in connection with the interference proceedings Nos. 75,433 and 76,987 in which the fraud had been perpetrated by the Defendants. For the convenience of the Court, this paragraph of the judgment, which is self explanatory, is quoted hereinbelow:

> "8. That Plaintiffs have sustained the burden of proof as to the cause of action alleging conspiracy, fraud, misrepresentation and suppression of evidence and defendants are ordered and directed to pay to plaintiffs all costs, expenses and reasonable counsel fees incurred in connection with this litigation and including those in connection with Interference No. 75,433 and Interference No. 76,987, which total amount shall be assessed and taxed as hereafter to be determined by the Court and that Plaintiffs shall have judgment and execution against said defendants therefor."

The Court of Appeals on Defendants' Petition for Rehearing vacated this paragraph (225 F. 2d 849); **and it is with this phase of the litigation that this petition is concerned.**

REASONS RELIED ON FOR THE ALLOWANCE OF THE WRIT.

The discretionary power of this Court to grant the writ of certiorari is invoked upon the following grounds, as set forth in Rule 19 of the Rules of this Court.

1. The question of whether a Court of Appeals can disturb the award of attorneys' fees, costs and expenses, as a measure of punitive damages, by the Trial Court in a fraud proceeding, in the utter absence of any showing of abuse of discretion by the trial court, is one involving the interpretation of the constitutional authority of the

Court of Appeals and which has not heretofore been decided by this Court.

2. A federal law question of far reaching public and economic consequence is here involved as lawyers or officers of the Court have been adjudicated to be the motivating force of highly "reprehensible" and "sordid" fraud in concurring decisions below and notwithstanding that fact, the Court of Appeals has deprived the winning Plaintiffs of attorneys' fees and costs for exposing this fraud; such ruling being in conflict with the spirit and intent of the mandates of this Court in the case of *Hazel-Atlas Glass Co.* v. *Hartford Empire Co.,* 322 U. S. 238 (246) wherein it was held:

> "the public welfare demands that the agencies of public justice be not so impotent that they must always be mute and helpless victims of deception and fraud."

ARGUMENT.

Question 1.

It is seldom in litigation that a party thereto is able to establish, by competent proof, the perpetration of a fraud let alone a fraud that has been motivated and concealed by attorneys of record as is here the case. Here we are not confronted by any ordinary fraud, but rather by one characterized by the lower courts as "sordid" and "reprehensible" in the extreme.

The exposing of this heinous fraud was a herculean and monumental task which entailed not only great expense on the part of the Plaintiffs, but the loss of valuable patent rights by virtue of the long pendency of this litigation. Actually this suit has been pending close to thirteen years which is in addition to the nearly five years that the parties were involved in the Patent Office interference proceedings wherein the fraud was perpetrated. Certainly, therefore, this suit was an exceptional case fully warranting the award of attorneys' fees, expenses and costs to the prevailing Plaintiffs who exposed and established the fraud. The Court of Appeals had no difficulty in its decision of June 30, 1955 (225 F. 2d 844) in finding, at Page 849, that this was an exceptional case justifying the award of attorneys' fees to the prevailing party under 35 U. S. C. A. 285, formerly Section 70 of the same title. There the Court of Appeals cited the case of *Pennsylvania Crusher Co.* v. *Bethlehem Steel Co.,* 3 Cir., 1951, 193 F. 2d 445. In that case, fraud was considered adequate justification for attorneys' fees.

It might also be noted that Section 285 appears in the same Chapter 29 of U. S. C. A. 35 as does Section 291 having to do with interfering patents; this suit involving, among other counts, a suit under old Section 4918, now replaced by Section 291, pertaining to interfering patents.

Now, while the lower court did not specifically award separate damages under the fraud count, the reason for which is not made known in the court's opinion, the court apparently, in lieu thereof, awarded attorneys' fees, costs and expenses. Thus, that court did grant some relief to the plaintiff in the form of a punitive assessment which it measured by the attorneys' fees, expenses and costs involved in the establishment of the fraud from the inception of the interference proceedings in the Patent Office.

The Court of Appeals, on a petition for rehearing, 225 F. 2d 849, vacated the lower court's award of attorneys' fees, expenses and costs insofar as they involved the earlier Patent Office proceedings on the alleged ground that the lower court did not have jurisdiction over the interference proceedings. That court apparently overlooked completely the fact that a trial court in a fraud case had a right to grant punitive damages and to use any reasonable measure in arriving at the basis of punitive damages. The Court of Appeals cited, as a basis for its decision, the decision of Judge Biggs in *Dubil* v. *Rayford Camp & Co.*, 9th Cir., 1950, 184 F. 2d 899. However, that decision affords no basis whatsoever for the Court of Appeals' change of heart since, if anything, it involved an opposite situation wherein the party against whom the attorneys' fees were assessed was not a party to the previous interference proceedings as to which attorneys' fees were awarded. In the *Dubil* case, Judge Biggs said:

> "(8) *There is no showing that Shores had anything to do with the prosecution of the application in the Patent Office or was in anywise connected with Hubik's fraud.* He was a mere licensee authorized to practice the process of the patent in a limited area in and near

Los Angeles. If he was not connected with the proceedings in the Patent Office or with the fraud, it is obvious that he may not justly be held liable for attorney fees if the basis of the allowance is to be fraud upon the Patent Office. This also is a matter to be considered by the court below upon remand." (Emphasis Ours.) (Page 903.)

In the instant lawsuit, the Defendants were actually parties to the Patent Office proceedings so that we have a situation that is exactly contrary to that considered in the *Dubil* case.

There is nothing of record to indicate that the trial court had exceeded its authority or has abused its discretion in awarding attorneys' fees, expenses and costs to the prevailing Plaintiffs for the duration of the Patent Office interference proceedings in which the fraud was committed. In the absence of such a showing, the Court of Appeals exceeded its discretionary powers in disturbing the decision of the trial court. Congress never intended that the appellate court should disturb a trial court's finding in the absence of manifest error or abuse of discretion. The appellate court, therefore, acted outside of the scope of its authority in vacating Paragraph 8 of the lower court's judgment.

This Court itself has gone on record in making it plain that lower courts should not be impotent in the face of fraud. In *Hazel-Atlas Glass Co.* v. *Hartford Empire Co.*, 322 U. S. 238 (246) this Court said:

> "the public welfare demands that the agencies of public justice be not so impotent that they must always be mute and helpless victims of deception and fraud."

Another decision of this Court along the same lines is that of *Precision Instrument Manufacturing Co. et al.* v. *Automotive Maintenance Machinery Co.*, 324 U. S. 806.

It is doubted that this Court has ever been confronted with such a bold faced fraud as was here perpetrated on the public and the Plaintiffs below. The lower court is to be commended on the thoroughness and excellence of its findings which brought to light in full the fraudulent activities of the Defendants which had been so long concealed by their attorneys who were found to have actually motivated the fraud. The record shows that the patience of the lower court was tried to the extreme by the dilatory and contemptuous practices of the Defendants' attorneys. It is a wonder that the court did not actually hold the Defendants' attorneys in contempt as would seem to have been justified by the lower court's order of October 24, 1952 which is reproduced in the accompanying appendix.

Lawyers, as officers of the court, have a distinct obligation to conduct themselves in keeping with the integrity and dignity of the court. The instant litigation is a classic example of where lawyers did everything possible to bring disrespect upon themselves and the profession as a whole. In view of the position of trust reposed in them, they cannot be criticized severely enough if the public is to respect the dignity and traditions of the legal profession.

The decision of the Court of Appeals on the petition for rehearing, dissecting from the lower court's judgment the award of attorneys' fees, expenses and costs of Plaintiffs, detracts from the efficacy of the trial court's classic decision sorely critical of the most reprehensible conduct of the Defendants and their attorneys. The Court of Appeals' decision on rehearing, therefore, is not only legally unsound, but, if allowed to stand, removes the teeth from the trial court's scholarly decision.

Question 2.

The Court of Appeals should not have reversed the lower court's awarding of attorneys' fees, costs and expenses to the prevailing Plaintiffs in the fraud action below without remanding the case to the trial court so that that court could consider whether it would want to use some other measure for awarding punitive damages other than attorneys' fees, costs and expenses. By merely vacating the lower court's decision in this respect, the Court of Appeals completely foreclosed the lower court from reopening the case insofar as the award of punitive relief was concerned.

It is reasonable to assume that in a case where a lower court found, in very strong language, the existence of "sordid" and "reprehensible" fraud, that court was disposed to give some relief to Plaintiffs for their efforts and expense in exposing heinous fraud. At least, it has always been the practice of an equity court to do equity and there is every reason to believe here, in the face of proven fraud, that the lower court would have done equity by the Plaintiffs if, on remand, it was permitted to reopen the case.

Actually, the attorneys' fees, expenses and costs were very substantial by virtue of the long pendency of the litigation beginning in the Patent Office in 1938. Thus, in depriving the Plaintiffs of the same, the Court of Appeals was taking away from Plaintiffs a very substantial award. Particularly is this so since during the long pendency of this litigation, the Etten patent involved in the R. S. 4918 suit, on which a reissue Ser. No. 167,775 was prayed in the R. S. 4915 suit, expired. As a consequence, even though the lower court held that Etten was entitled to a patent on this reissue application, the application became outlawed by expiration of the original patent No. 2,054,970 on which it was based.

This is certainly a situation of paramount public importance not only from the standpoint of the Patent Office, but from the standpoint of conduct of lawyers before that Office. The decision of the lower court here was a landmark in the exposing of conduct of lawyers dedicated to the end of perpetrating a fraud on the Patent Office.

The least, therefore, that the Court of Appeals could have done, even if that court was correct in vacating the award of attorneys' fees, costs and expenses to Plaintiffs, was to have ordered the lower court to reinquire into the matter so as to do equity to the Plaintiffs.

Conclusion.

The Court of Appeals' amendment of September 30, 1955 to its decision vacating the award of attorneys' fees, costs and expenses should be reversed or, in the alternative, that court should be ordered to remand the case to the trial court to determine on some other adequate basis of damages to be awarded to the Plaintiffs for the fraud perpetrated on them.

Wherefore, your cross-petitioners respectfully pray that the writ of certiorari be issued to the United States Court of Appeals for the Third Circuit to the end that the amended decision of that Court may be reviewed and determined by this Court; that the amended judgment of the Court of Appeals be reversed and that of the Lower Court be affirmed and that the cross-petitioners be granted such other and further relief as may be proper.

Respectfully submitted,

Charles F. Meroni,
Hill, Sherman, Meroni, Gross & Simpson,
53 West Jackson Boulevard,
Chicago 4, Illinois,
Isaac J. Silin,
Brooks, Curtze & Silin,
G. Daniel Baldwin Building,
Erie, Pennsylvania,
Attorneys for Cross-Petitioners.

Dated at Chicago, Illinois,
December 27, 1955.

[illegible]

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Respectfully submitted,

[illegible]

[illegible]

APPENDIX — FEDERAL STATUTES AND FEDERAL COURT RULES.

35 U. S. C. A. 285:

"The court in exceptional cases may award reasonable attorney fees to the prevailing party. July 19, 1952, c. 950, § 1, 66 Stat. 813."

35 U. S. C. A. 291:

"The owner of an interfering patent may have relief against the owner of another by civil action, and the court may adjudge the question of the validity of any of the interfering patents, in whole or in part. The provisions of the second paragraph of section 146 of this title shall apply to actions brought under this section. July 19, 1952, c. 950, § 1, 66 Stat. 814."

Sec. 4915 R.S., 35 U.S.C.A., Sec. 63, Prior to August 5, 1939 Amendment.

SUITS TO OBTAIN PATENT.

Sec. 4915. (U. S. C., title 35, sec. 63.) Whenever a atent on application is refused by the Commissioner of atents, the applicant, unless appeal has been taken from he decision of the Board of Appeals to the United States ourt of Customs and Patent Appeals, and such appeal pending or has been decided, in which case no action ay be brought under this section, may have remedy by ll in equity, if filed within six months after such refusal; nd the court having cognizance thereof, on notice to lverse parties and other due proceedings had, may ljudge that such applicant is entitled, according to law, receive a patent for his invention, as specified in his aim, or for any part thereof, as the facts in the case may appear. And such adjudication, if it be in favor of the right of the applicant, shall authorize the commissioner to issue such patent on the applicant filing in the Patent Office a copy of the adjudication and otherwise complying with the requirements of law. In all cases where there is no opposing party a copy of the bill shall be served on the Commissioner; and all the expenses of the proceedings shall be paid by the applicant, whether the final decision is in his favor or not. In all suits brought hereunder where there are adverse parties the record in the Patent Office shall be admitted in whole or in part, on motion of either party, subject to such terms and conditions as to costs, expense, and the further cross-examination of the witnesses as the court may impose, without prejudice, however, to the right of the parties to take further testimony. The testimony and exhibits, or parts thereof, of the record in the Patent Office when admitted shall have the same force and effect as if originally taken and produced in the suit.

Sec. 4918 R.S., 35 U.S.C.A., Sec. 66.

§ 66. Interfering patents; relief against

Whenever there are interfering patents, any person interested in any one of them, or in the working of the invention claimed under either of them, may have relief against the interfering patentee, and all parties interested under him, by suit in equity against the owners of the interfering patent; and the court, on notice to adverse parties, and other due proceedings had according to the course of equity, may adjudge and declare either or both of the patents void in whole or in part, upon any ground, or inoperative, or invalid in any particular part of the United States, according to the interest of the parties in the patent or the invention patented. But no such judgment or adjudication shall affect the right of any person except the parties to the suit and those deriving title under them subsequent to the rendition of such judgment. R.S. § 4918; March 2, 1927, c. 273, § 12, 44 Stat. 1337.

Sec. 1254(1), Title 28 U. S. C. A.

§ 1254. Courts of appeals; certiorari; appeal; certified questions

Cases in the courts of appeals may be reviewed by the Supreme Court by the following methods:

(1) By writ of certiorari granted upon the petition of any party to any civil or criminal case, before or after rendition of judgment or decree.

judgment or adjudication shall affect the right of any person except the parties to the suit and those deriving title under them subsequent to the institution of such judgment. U.S. § 2410, June 2, 1920, c. 219, § 12, 41 Stat. 733.

Sec. 1254(1), Title 28 U.S.C.A.

§ 1254. Courts of appeals; certiorari; appeal; certified questions.

Cases in the courts of appeals may be reviewed by the Supreme Court by the following methods:

(1) By writ of certiorari granted upon the petition of any party to any civil or criminal case, before or after rendition of judgment or decree;

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No. 594

IN THE

Supreme Court of the United States

October Term, 1955.

NICHOLAS L. ETTEN and CHAMBERLAIN CORPORATION,

Cross-Petitioners,
Plaintiffs-Appellees,

vs.

WALTER L. KAUFFMAN, II and LOVELL MANUFACTURING COMPANY,

Cross-Respondents,
Defendants-Appellants.

OPINIONS AND JUDGMENTS OF LOWER COURTS INVOLVED IN CROSS-PETITION FOR WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE THIRD CIRCUIT.

Charles F. Meroni,
c/o Hill, Sherman, Meroni, Gross and Simpson,
53 W. Jackson Boulevard,
Chicago 4, Illinois,

Isaac J. Silin,
c/o Brooks, Curtze and Silin,
G. Daniel Baldwin Building,
Erie, Pennsylvania,

Attorneys for Cross-Petitioners.

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OPINIONS AND JUDGMENTS OF LOWER COURTS.

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OPINIONS AND JUDGMENTS OF LOWER COURTS.

Decision of District Judge Schoonmaker dated January 24, 1945, on Motion; reported at 4 F.R.D. 233.

Schoonmaker, District Judge.

The complaint in this case is filed under the patent laws of the United States, Section 4915 of the Revised Statutes, U.S.C.A., Title 35, § 63, and under Title 28, § 41(7), of the United States Code Annotated, as a suit arising under the patent laws, and also under the Declaratory Judgments Act, Title 28, § 400.

The complaint alleges two causes of action: (1) A proceeding under Section 4915 of the Revised Statutes with respect to two patent applications for wringers involved in two interferences in the Patent Office,—one by the plaintiff, and the other by defendant, Lovell Manufacturing Company, Assignee of Gustave H. Jantz,—as to which the Commissioner of Patents declared interferences Nos. 75,433 and 76,987, awarding priority of invention to defendant Lovell Manufacturing Company; and (2) an action charging conspiracy between defendants, Lovell Manufacturing Company and Walter H. Kauffmann, II, to produce false and untrue testimony in the proceedings on said interferences and to suppress the true facts with reference thereto; thereby inducing the Patent Office to deprive plaintiff of patents to which he was justly entitled, to the great damage of the plaintiff.

Defendants moved to dismiss that part of the complaint arising out of interference 75,433, based on the allegations of paragraph 17 of the complaint. By leave of court, plaintiff amended his complaint by striking therefrom the entire paragraph 17, whereupon was denied the defendants' motion to dismiss the complaint as to interference No. 75,433.

Defendants also filed motions to dismiss, or strike, portions of the complaint for lack of jurisdiction, and also for failure to state claims upon which relief can be granted, and for a bill of particulars.

Paragraph (A) of Defendants' Motion

The question on the motion to dismiss involves a determination of whether or not there may be joined with the action under Sec. 4915, R.S.,—which involves only Interference No. 75,433 and No. 76,987, and rights of the plaintiff and defendant Lovell Manufacturing Company with respect thereto,—an action for a conspiracy and a declaratory judgment which involves the plaintiff and both defendants in this case. Defendants concede that the 4915 actions are filed as a matter of right under the statute to review decisions of the Board of Appeals of the United States Patent Office; but contend that plaintiff may not bring into the 4915 actions a conspiracy count which involves not only the plaintiff and defendant, Lovell Manufacturing Company, but also Walter H. Kauffmann II; and that unless and until plaintiff prevails in his action under Section 4915, R.S., he has no cause of action for conspiracy.

[1] With this contention we cannot agree. It is our view that it is entirely proper to join these two causes of action. This procedure is justified by Rule 18 of the Rules of Civil Procedure, 28 U.S.C.A. following section 723c. Paragraph (a) of that rule provides: "The plaintiff in his complaint * * * may join * * * as many claims either legal or equitable or both as he may have against an opposing party. * * *" And Paragraph (b) provides: "Whenever a claim is one heretofore cognizable only after another claim has been prosecuted to a conclusion, the two claims

may be joined in a single action; but the court shall grant relief in that action only in accordance with the relative substantive rights of the parties. * * *''

[2] We are also of the opinion that the inclusion of Walter H. Kauffmann II as a party defendant is permissible under Rule 20 of the Rules of Civil Procedure. It provides in Subsection (a): ''* * * All persons may be joined * * * as defendants if there is asserted against them jointly, severally, or in the alternative, any right to relief in respect of or arising out of the same transactions, occurrence, or series of transactions or occurrences and if any question of law or fact common to all of them will arise in the action. A plaintiff or defendant need not be interested in obtaining or defending against all the relief demanded. Judgment may be given for one or more of the plaintiffs according to their respective rights to relief, and against one or more defendants according to their respective liabilities.''

We therefore conclude that paragraph (a) of defendants' motion to dismiss should be denied.

Paragraph (B) of Defendants' Motion

[3] This paragraph alleges that the complaint is insufficient in paragraphs (14) (15), and (16), in that they do not comply with subsections (b) and (g) of Rule 9 of the Rules of Civil Procedure, because the facts are not alleged with sufficient particularity to comply with this rule. Ultimate facts are all that need be stated in a complaint, and in our opinion the complaint is sufficient. If additional particulars of the charge are required, they may be obtained either by bill of particulars or by depositions and discovering proceedings under the Rules of Civil Procedure. As to the allegation in paragraph (15) of the complaint, we do not find that plaintiff is demanding any

items of special damages which would require a specific statement thereof.

The motion to dismiss or strike as to this paragraph will be denied.

Paragraph (C) of Defendants' Motion

This paragraph of defendants' motion states that plaintiff is suggesting in paragraph (14) of the complaint, the issuing of a restraining order against the Commissioner of Patents from issuing a patent to defendant Lovell Manufacturing Company. We do not find any prayer for such restraining order either in paragraph (14) or in the prayers for relief in complaint.

Defendants' motion as to this paragraph will be denied.

Paragraph (D) of Defendants' Motion

This paragraph alleges there is no showing to justify a suggestion in paragraph (14) of the complaint of the danger of the destruction of documentary evidence by defendants, and that therefore an injunction in this respect is not justified. No specific request for such a restraining order has been made by plaintiff.

We therefore decline to strike this paragraph for the reasons alleged.

Paragraph (E) of Defendants' Motion

Plaintiff, of his own motion, amended his complaint by striking out paragraph (17); and there is no reason for passing on defendants' motion with respect to this paragraph.

Paragraph (F) of Defendants' Motion

[4] In this portion of their motion defendants are asking for plaintiff's dates of invention, reduction to practice, etc. As the parties themselves filed in the Patent Office preliminary statements setting forth the dates which

would be relied upon, we see no reason for filing the dates again in this proceeding. This part of defendants' motion will therefore be denied.

Paragraph (G) of Defendants' Motion

This paragraph demands that if paragraphs (14), (15), and (16) are not stricken from the complaint, plaintiff be required to furnish a bill of particulars. Plaintiff has answered this motion, giving such details as he was of opinion should be required of him.

[5] In our opinion the complaint itself gave the defendants the necessary information as to the nature of plaintiff's cause of action, and a bill of particulars was not necessary in this case. The information asked for is largely of an evidentiary character which, in our opinion, can best be obtained under the Rules of Civil Procedure, or by depositions and discovery.

An order may be submitted holding that plaintiff's bill of particulars filed in answer to paragraph (G) of defendants' motion is sufficient, and that no further bill of particulars be required of plaintiff.

Plaintiff may submit orders in accordance with this opinion on notice to defendants' counsel.

Opinion of United States District Court, W. D. Pennsylvania, dated February 28, 1949; reported 83 Fed. Supp. 178.

FOLLMER, DISTRICT JUDGE.

This action was predicated upon a complaint to authorize issuance of patent and for declaratory judgment for injunction and damages and was brought by Nicholas L. Etten, a resident of the State of Iowa, against Lovell Manufacturing Company, a Pennsylvania corporation, and Walter L. Kauffman, II, a resident of the State of Pennsylvania.

The complaint was brought under Section 4915 of the Revised Statutes, 35 U.C.S.A. § 63 and alleged, inter alia, that Nicholas L. Etten, hereinafter called "Etten," on December 23, 1932, filed in the United States Patent Office an application for Letters Patent on his invention of certain improvements in wringers, Serial No. 648,620, on which application Letters Patent No. 2,054,970 was duly granted on September 22, 1936. That Etten filed an application for reissue of the said patent on October 7, 1937, Serial No. 167,775.

That on September 3, 1935, Etten filed in the United States Patent Office an application for Letters Patent on his invention of certain improvements in wringer release mechanism, Serial No. 38,932.

That on October 25, 1934, Gustave H. Jantz, since deceased, alleging to be the inventor of certain improvements in wringers, filed an application for Letters Patent of the United States, Serial No. 749,977, the legal title to which application was assigned to Lovell Manufacturing Company, hereinafter called "Lovell", this assignment being subsequently recorded in the United States Patent Office.

That on February 15, 1938, the Commissioner of Patents declared an interference, No. 75,433, between the Etten

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tion, Serial No. 38,932, filed September 3, 1935, and
ntz application, Serial No. 749,977, filed October 25,
he issue of which interference comprised the follow-
nt:

"In a wringer, a frame, rolls mounted in the frame,
removable top bar on the frame, pressure means be-
een the top bar and the rolls, means for detachably
curing one end of the bar to the frame, securing
eans between the other end of the bar and the frame
mprising a toggle with one link pivoted to the frame,
e other link pivoted to the bar and to said first link,
d having an extension forming a handle for manip-
ating said toggle, the construction being such that
e pivots of said links may be brought close to but
ort of a straight line position, whereby pressure be-
een the bar and the frame will bias said toggle into
released position, and latching connections between
id frame and said extension to secure said toggle
a pressure retaining position."

thereafter, on April 25, 1939, the Commissioner of
s declared an interference, No. 76,987, between the
reissue application, Serial No. 167,775, and the Jantz
ation, Serial No. 749,977, the issue of which inter-
e comprised the following counts:

"In a wringer, a frame, rolls mounted in the frame,
removable top bar on the frame, pressure means be-
een the top bar and the rolls, means for detachably
curing one end of the bar to the frame, securing
eans between the other end of the bar and the frame
mprising a toggle with one link pivoted to the frame,
e other link pivoted to the bar and to said first link,
e construction being such that the pivots of said links
ay be brought close to but short of a straight line posi-
on, whereby pressure between the bar and the frame
ll bias said toggle into a released position, and latch-
g means to secure said toggle in a pressure retaining
sition."

"In a wringer structure in combination a frame hav-
g upright portions, wringer rolls supported by the

> upright portions of said frame, a separable cross head member supported by said upright portions, adjustable spring means carried by said cross head member for normally holding said wringer rolls in pressure contact, toggle link mechanism having inseparable members for retaining said cross head member in normal working position and joining the cross head to at least one of the upright portions, a movable latch member for holding the toggle mechanism in operable relation when retained in holding position and so that the pressure load is divided between the toggle mechanism and latch, said spring means being operable to move the toggle mechanism when the latch is not retained in holding position whereby the pressure between the rolls is released."
>
> "In a wringer mechanism, in combination, wringer rolls, an adjustable pressure sustaining means therefor which is retained at one end partly by toggled links and partly by a removable hook, which hook is adapted to be removed from its pressure supporting position by the operation of one or more hand rails disposed adjacent the wringer rolls."

That after hearing on said Interferences No. 75,433 and No. 76,987, the Examiner of Interferences of the Patent Office awarded priority therein to Jantz. That on appeal the decision of the said Examiner was affirmed by the Board of Appeals of the United States Patent Office. That no appeal has been taken by the plaintiff on either of said Interferences, No. 75,433 or No. 76,987, to the United States Court of Customs and Patent Appeals to review the decision of the Board of Appeals. That in the said interferences the defendants, Walter L. Kauffman, II, hereinafter called "Kauffman", Lovell, and their assignor, Jantz, conspired in the concealment of material evidence, put in evidence false and untrue testimony as to material facts, knowing the same to be false and untrue and with the intention that they be relied upon by the United States Commissioner of Patents, the Examiner of Interferences, and the Board of Appeals of the United States Patent Office; that the said officials did rely upon said false and untrue testimony, resulting in the awarding of priority of invention of the subject matter of said interferences to the said Gustave H. Jantz.

The answer denies that plaintiff has a right to maintain an action under Section 4915 of the Revised Statutes 35 U.S.C.A. § 63, and further asserts that "Defendants can find no complaint for declaratory judgment." Defendant further contends that plaintiff by taking an appeal to the United States Court of Customs and Patent Appeals under Section 4911 of the Revised Statutes, 35 U.S. C.A. § 59a, in Interferences Nos. 77,671 and 77,672 having the same record as Interferences Nos. 75,433 and 76,987, has waived his right to proceed under Section 4915 and that the plaintiff is estopped here because of the adjudication of the Court of Customs and Patent Appeals.

On October 21, 1947, in view of the fact that subsequent to the filing of the original action under Section 4915 the "Jantz" patent had been issued, the plaintiff moved to include an action under Section 4918, 35 U.S.C.A. § 66. Accordingly, the plaintiff was permitted to amend his Bill of Complaint on his motion setting forth that on September 3, 1946, Jantz's application, Serial No. 749,977, filed October 25, 1934, issued to defendant, Lovell Manufacturing Company, as Letters Patent No. 2,406,951; that said patent is in direct conflict with plaintiff's Letters Patent No. 2,054,970, hereinabove referred to.

Defendant then filed a supplemental answer (paragraphs 26 to 29 inclusive) and counterclaim for patent infringement (paragraphs 30 to 34 inclusive).

Paragraph 26 averred that Jantz was the first inventor of the invention defined in his Patent No. 2,406,951 issued

September 3, 1946, on application Serial No. 749,977, filed October 25, 1934.

Paragraph 27 averred the unpatentability of claims 5 and 6 of Etten Patent No. 2,054,970.

Paragraph 29 averred plaintiff could not assert claims 2, 5, and 13 of his Patent No. 2,054,970 under Revised Statutes 4918, or, in the alternative, plaintiff must dismiss his cause under Revised Statutes 4915 before asserting his cause under Revised Statutes 4918.

Plaintiff moved to strike paragraphs 27, 28, and 29 of the supplemental answer aforesaid.

On December 8, 1947, plaintiff filed motion to dismiss under Federal Rules of Civil Procedure, Rule 12(b) 28 U.S.C.A., defendants' counterclaim for patent infringement.

After argument had and with the agreement of counsel the Court on December 9, 1947, ordered:

1. That motion is denied as to paragraphs 28 and 29 upon express understanding of defendants' counsel that as to the subject matter of these paragraphs no further testimony, evidence or argument would be adduced, but as to the defenses raised therein defendants would rest solely on their case previously presented.

2. That motion is granted as to paragraph 27 with the understanding defendants are not to be prejudiced thereby from raising the same defense of unpatentability as to claims 5 and 6 of Etten Patent No. 2,054,970, or any reissue in any suit that may hereafter be brought by the parties for patent infringement.

3. The order, carrying the signed approval of counsel for plaintiff and defendants, further stated, "It is further understood that both parties hereto have concluded their respective cases as to the original and amended complaint and that no further evidence or testimony will be adduced

herein in connection with the causes of action of said original and amended complaints."

At the hearing it was agreed that in the event plaintiff's motion to dismiss the counterclaim for patent infringement (paragraphs 30 to 34 of defendants' supplemental answer) were refused, the proper procedure would be to direct a separate trial which would necessitate the taking of additional testimony, and with that understanding, the case, exclusive of the counterclaim, was closed.

On December 19, 1947, plaintiff filed notice and supplemental affidavit in support of his motion to dismiss counterclaim.

On December 30, 1947, defendants filed a request to defer decision on the 4915 and 4918 actions until the status of the plaintiff, Etten, is clarified; that the Chamberlain Corporation is the party in interest, and that accordingly the absence of indispensable parties goes to the jurisdiction of the Court. In support thereof, defendants filed therewith a paper purporting to be uncertified excerpts from sworn statements of Etten in Public Use Proceedings, Nicholas L. Etten vs. Gustave H. Jantz, involving Jantz application Serial No. 749,977 (forming part of affidavit of Ralph Hammer); affidavit of Ralph Hammer; also interrogatories to plaintiff, and notice to counsel for plaintiff of the filing by defendants of the said motion and related papers.

On January 9, 1948, plaintiff filed motion to strike under Rule 12(f) defendants' notice of December 30, 1947, together with the papers referred to therein and attached thereto.

Findings of Fact.

1. The complaint, as amended, sets forth claims under Section 4915, R.S., 35 U.S.C.A. § 63 and Section 4918, R.S., 35 U.S.C.A. § 66.

2. The parties hereto had previously been involved in a series of four co-pending Patent Office Interferences, including the two here involved, Nos. 75,433 and 76,987, first declared on February 15, 1938, and April 25, 1939, respectively and two not here specifically involved, No. 77,671 and 77,672, first declared on November 8, 1939.

3. The Jantz application, Serial No. 749,977, filed on October 25, 1934, which issued after the filing of this suit into Letters Patent No. 2,406,951 on September 3, 1946, was involved in all four of these interferences. The Etten reissue application, Serial No. 167,775, was involved only in Interference No. 76,987. Etten's application, Serial No. 38,932, filed on September 3, 1935, was involved in Interference No. 75,433, which includes only a single count or claim here in suit, and was also involved in Interference No. 77,671. Etten Patent No. 2,054,970 was involved in Interference No. 77,672.

4. Interferences Nos. 77,671 and 77,672, not here in suit, were declared after October 5, 1939, and were subject to the provisions of the United States Statutes, Section 4904, R.S. and Section 4911, R.S., 35 U.S.C.A. §§ 52 and 59a, as amended on August 5, 1939, c. 451, § 3, 53 Stat. 1212, and Section 4915, R.S. as well as 4904 and 4911, R.S., since all three statutes were amended.[1]

5. Interferences Nos. 76,987 and 75,433, the four counts or claims of which are here specifically in suit, were de-

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[1] The Act of August 5, 1939, became effective two months after its approval. See Footnote 35 U.S.C.A. § 52.

clared prior to October 5, 1939, and were subject to the laws in force and effect prior to the above said amendment of the Revised Statutes 4904, 4911, and 4915.

6. By stipulations filed in the Patent Office proceedings it was agreed that depositions on behalf of Etten taken September 9, 1940, might be used in evidence as to both Interferences Nos. 75,433 and 77,671,[2] and also as to Interferences Nos. 77,987 and 77,672;[3] and that the depositions on behalf of Jantz taken October 28, and 29, 1940, might be used in all four of the above interferences.[4]

7. The Patent Office Examiner of Interferences considered the testimony before him in connection with Interferences Nos. 75,433 and 76,987 here involved, and on April 23, 1942, awarded priority to Gustave H. Jantz.

8. Interferences Nos. 77,671 and 77,672, not here involved, were not decided by the Examiner of Interferences but were decided by the newly created Board of Interference Examiners which Board, in a decision dated April 23, 1942, awarded priority to Gustave H. Jantz.

9. Nicholas L. Etten, the losing party in Patent Office Interferences Nos. 75,433 and 76,987 here involved, duly took an appeal to the Patent Office Board of Appeals and that tribunal on April 24, 1943, affirmed the decision of the Examiner of Interferences awarding priority to Gustave H. Jantz. The decision of the Board of Interference Examiners in the two companion Interferences Nos. 77,671 and 77,672 not here involved, which came under the new amended practice were not appealable to the Board of Appeals as such an appeal under the amended practice was no longer provided for, and Nicholas L. Etten, the plain-

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[2] Plaintiff's Exhibit No. 152, Page 4.

[3] Plaintiff's Exhibit No. 153, Page 4.

[4] Plaintiff's Exhibit No. 155, Page 2, and Plaintiff's Exhibit No. 156, Page 2.

tiff herein, appealed the decisions to the Court of Customs and Patent Appeals under Section 4911 R.S. as amended.

10. The Court of Customs and Patent Appeals decided the appeals in Etten vs. Jantz, 142 F. (2d) 680, 31 C.C.P.A., Patents, 1177, Interferences Nos. 77,671 and 77,672, not here involved, on January 3, 1944, solely on the basis of the record before the Patent Office Board of Interference Examiners and affirmed that Board's award of priority in favor of Gustave H. Jantz.

11. The Patent Office Examiner of Interferences, the Board of Interference Examiners, the Board of Appeals, and the United States Court of Customs and Patent Appeals did not in the aforesaid decisions, as to any of the four interferences including the two here involved, have before them the new and additional evidence adduced by plaintiff during the trial of this case.

12. As to Interferences Nos. 75,433 and 76,987 involved in this suit, the plaintiff elected under the applicable statutes Sections 4911 and 4915, unamended, not to take an appeal as to these two interferences but instead plaintiff filed this suit in equity under Section 4915 and had a trial *de novo* before this Court.

13. The counts or claims of Interferences Nos. 75,433 and 76,987 involved in this suit under Section 4915, R.S., are directed to different inventions than the counts or claims of the two companion Interferences Nos. 77,671 and 77,672 decided by the Court of Customs and Patent Appeals; and the tribunals in the Patent Office which decided the issue in the interferences here in suit (Nos. 75,433 and 76,987) were entirely different from the tribunal that passed on the issue of the two later Interferences Nos. 77,671 and 77,672.

14. At the time of the filing of this suit, the aforesaid Jantz application, Serial No. 749,977 (now issued as Letters

Patent No. 2,406,951) was assigned to and admittedly owned by defendant Lovell, and each of the aforesaid Etten applications were owned by the plaintiff herein (Plaintiff's Exhibits Nos. 139 and 140).

15. H. C. Lord, of Counsel for defendant, prior to the taking the Patent Office Interference testimony on behalf of the party Jantz, negotiated with the aged Jantz, now deceased, to acquire the Jantz application, and purchased the application on March 16, 1938, for defendant Lovell on an installment plan wherein the final payment of $1500.00 to Jantz was contingent upon either Jantz or Kauffman being finally adjudged to be the first inventor of the toggle release wringer.

16. The assignment from Jantz to Lovell (Plaintiff's Exhibit No. 31) was not, however, recorded until April 30, 1942, which was not only after the testimony of Jantz was taken on October 28, 1940, by and with the assistance of A. F. Herbsleb, Attorney for Jantz, whose services were retained by H. C. Lord to assist in preparing the testimony of Jantz, but actually seven days after the date of decision of the Examiner of Interference in Interferences Nos. 75,433 and 76,987, and of the Board of Interference Examiners in Interferences Nos. 77,671 and 77,672.

17. Defendants had knowledge of the plaintiff Etten's effective application filing date of December 23, 1932, prior to the filing of sworn-to preliminary statements by Jantz in the Patent Office Interference, setting forth the dates of invention on which Jantz would rely.

18. The original preliminary statement (Plaintiff's Exhibit No. 166) executed by Jantz on March 16, 1938, setting forth a date of invention of March 1, 1933, were concealed in the files of H. C. Lord, Attorney for defendants, because the dates alleged therein were subsequent to Etten's filing

date of December 23, 1932, and at no time were produced during the Patent Office Interferences.

19. While previous to this trial the records of defendants and their counsel had been produced with the statement by defendants' counsel that they were the complete records, nevertheless, defendants' counsel was still concealing and suppressing the Jantz original preliminary statements (Plaintiff's Exhibit No. 166) dated March 16, 1938; and this suppression was continued by defendants and their counsel until the last day of the trial, and the statements were even then produced only under compulsion and in an effort to avoid having Mr. Lord appear in person in response to the subpoena and the repeated requests of this Court that he appear and testify at the trial.

20. Subsequent to the execution of these original concealed statements, defendant Kauffman contacted the aged Jantz and by coercive tactics induced him to sign an amended preliminary statement setting forth earlier dates of invention.

21. The Patent Office records in connection with the interference proceedings include sworn affidavits of Gustave H. Jantz and A. F. Herbsleb (prepared and submitted by the defendants' Attorneys) positively representing that all of the records of the Corcoran Manufacturing Company had been destroyed, although various Corcoran Manufacturing Company records, including Exhibits Nos. 52 and 53, bearing dates of June 13, 1933, and November 17, 1933, were actually in the files and records of H. C. Lord, the Attorney for the defendants, and fully available at the time of the execution and filing of these false affidavits in the Patent Office.

22. Jantz's Exhibit "O" has now been conclusively shown not to have been in existence in the Spring of 1932,

as testified to in the Patent Office proceedings, but instead to have been made in 1933.

23. Plaintiff completed the inventions of the counts or claims here in suit at least as early as the Fall of 1932, at which time these inventions were reduced to practice at the plant of the Chamberlain Corporation of Waterloo, Iowa, and which culminated in the December 23, 1932, application of Etten Patent No. 2,054,970.

24. Jantz did not complete his Exhibit "O" nor reduce his inventions to practice until sometime in the month of April, 1933.

25. As between the parties to this suit, the plaintiff, Etten, is entitled to priority on the subject matter of his application for reissue, Serial No. 167,775, here in suit, and of the subject matter of his application, Serial No. 38,932, here in suit, and which subject matters include the three counts of Interference No. 76,987 and the single count of Interference No. 75,433.

26. Gustave H. Jantz Letters Patent No. 2,406,951 embraces subject matter including claims such as and like claims 2 and 13, which are in direct conflict and in interference with plaintiff's Letters Patent No. 2,054,970 (on which application for reissue Letters Patent is pending), so that as to any and all such conflicting subject matter the plaintiff is entitled to priority as between the parties to this suit.

27. The issuance of Jantz Letters Patent No. 2,406,951 assigned to the defendant, Lovell, was fraudulently procured by the defendants when they knowingly and deliberately submitted and caused to be submitted to the Patent Office false and untrue evidence and affidavits while concealing and suppressing other pertinent evidence in the files of their Attorneys, H. C. Lord and A. F. Herbsleb.

Conclusions of Law

1. The Court has jurisdiction over plaintiff's claims under Section 4915 and Section 4918.

2. This proceeding is a trial de novo in equity in which the trial court is charged with the responsibility of considering all competent evidence, new and old.

3. The burden is upon the plaintiff in this suit to prove by more than a mere preponderance of evidence that the Patent Office was in error in awarding priority of invention on all counts in Interferences Nos. 77,671 and 77,672 to Gustave H. Jantz.

4. The decisions of the Patent Office in Interferences Nos. 77,671 and 77,672 create no estoppels against the issues of the present action.

5. The decision of the Court of Customs and Patent Appeals in Interferences Nos. 77,671 and 77,672 are not res adjudicata as to the issues of the present action.

Discussions of Law.

The first question requiring decision in this cause is whether plaintiff having appealed Interferences Nos. 77,671 and 77,672 to the Court of Customs and Patent Appeals is estopped from bringing his Bill in Equity under Section 4915, Revised Statutes, as to Interferences Nos. 76,987 and 75,433. Defendants' Counsel seek to simplify the problem, stating in their brief: "The issue of fact decided by the C.C.P.A. was that Jantz Exhibit O was completed and reduced to practice at least as early as April 10, 1932. The earliest date Etten contends for is May 2, 1932. Upon these facts, Etten is obviously the second inventor and not entitled to a patent," and contend that the decision of the Court of Customs and Patent Appeals[5] is res adjudicata of the issues here involved. They rely heavily upon Blackford v. Wilder, 28 App.D.C. 535, and Horine v. Wende, 29 App.D.C. 415. These and other cases cited[6] are not determinative of the precise question here involved.

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[5] Etten v. Jantz, 142 F.2d 680, 31 C.C.A., Patents, 1177.

[1] Administrative decisions under 4911, Revised Statutes by the Court of Appeals of the District of Columbia prior to 1929 and of the Court of Customs and Patent Appeals subsequent thereto, limited as they are to the record before the Patent Office, are binding only on the Commissioner of Patents, but are not binding as precedents in the regular Federal constitutional courts.[7]

The doctrine of res adjudicata announced in the Blackford and Horine cases, supra, moreover has no application to concurrent, copending or companion interferences. Under such circumstances, despite prior decisions on some of such interferences, suits under 4915, Revised Statutes have been considered on the merits.[8]

It is also pertinent to note that the Court of Customs and Patent Appeals, recognizing the difference between its jurisdiction as limited solely to a review of the Patent Office Record and the broader scope of a 4915 Revised Statute action, has refused to consider the effect of a prior decision under a 4915 Revised Statute action in a related interference.[9]

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[6] Defendants' Counsel cite Chase v. Coe, 74 App.D.C. 152, 122 F.2d 198; United States Rubber Co. v. Coe, 79 U.S.App.D.C. 305, 146 F.2d 315; McBride v. Coe, D.C.D.C., 50 F.Supp. 286. These cases do not involve concurrent or copending interferences but have reference to an attempt by a party defeated in one interference to have a new interference set up with substantially the same issue.

[7] United Shoe Machinery Corp. v. Muther, 1 Cir., 288 F. 283, 285. (The court here considered an issue of priority which had previously been decided by the Court of Appeals of District of Columbia under a 4911 appeal). International Cellucotton Products Co. v. Coe, 66 App.D.C. 248, 85 F.2d 869; Novelty Glass Mfg. Co. v. Brookfield, 3 Cir., 170 F. 946, 955; Dwight v. Lloyd Sintering Co., Inc. v. Greenawalt, 2 Cir., 27 F.2d 823, 827; Tillman & Bendel v. California Packing Corp., 9 Cir., 63 F.2d 498, 503, certiorari denied 290 U.S. 638, 54 S.Ct. 55, 78 L.Ed. 554; John Morrell & Co. v. Doyle, 7 Cir., 97 F.2d 232, 235, certiorari denied 305 U.S. 643, 59 S.Ct. 146, 83 L.Ed. 415.

[8] Philadelphia Storage Battery Co. v. Zenith Radio Corp., 7 Cir., 117 F.2d 642; Hazeltine Corp. v. Radio Corp. of America, 67 App.D.C. 373, 92 F.2d 524; Raytheon Manufacturing Co. v. General Electric Co., D.C. N.D.N.Y., 34 F.Supp. 40.

The Interferences Nos. 75,433 and 76,987 were declared on February 15, 1938, and April 25, 1939, respectively, whereas the Interferences Nos. 77,671 and 77,672 upon which the decision of the Court of Customs and Patent Appeals was predicated were not declared until November 8, 1939. It was not by reason of any action or choice of the plaintiff but because of the amendment to the Patent Laws, effective October 5, 1939, that the two later interferences traveled a separate and distinct path and were first decided. The interferences declared after October 5, 1939, were decided by the Board of Interference Examiners on the same date that the earlier interferences here involved were decided by the Examiner of Interferences.[10] These interferences (administratively separated by the Patent Office in accordance with the statute amended as aforesaid) therefore could not have been consolidated in one appeal. Interferences Nos. 75,433 and 76,987 were not ready for appeal on Bill in Equity at the time such action had to be taken on Nos. 77,671, and 77,672. Certainly it was not the intention of Congress, in changing the Patent

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[9] Meuer v. Schellenger, 104 F.2d 949, 953, 26 C.C.P.A., Patents, 1430.

[10] Section 4915, R.S., governing bills in equity to review decisions of the Patent Office, was amended concurrently with Section 4911, R.S. Prior to the amendment a condition precedent to such bill was a decision of the Board of Appeals whereas after the amendment the decision of the Board of Interference Examiners was sufficient. Lacking the requisite Board of Appeals decisions in Interferences Nos. 75,433 and 76,987 on April 23, 1942, plaintiff could not then bring bill in equity as to them even though he was forced to take action in Interferences Nos. 77,671 and 77,672, the time limit for taking appeals to the Court of Customs and Patent Appeals being 40 days. Rules of Practice, Patent Office, rule 149, 35 U.S.C.A.Appendix.

Law, to penalize plaintiff as to the earlier interferences or to bar him from his remedies thereunder, especially since plaintiff was patentee under Interference No. 77,672 and as to such interference had no choice, his only remedy being appeal to the Court of Customs and Patent Appeals.[11]

[2, 3] In only two of the interferences, Nos. 77,671 and 75,433, are the same patent applications involved.[12] The Board of Appeals recognizing that the interferences were separate and distinct,[13] decided the issue of priority on the merits as to the two interferences now before us, although appeals to the Court of Customs and Patent Appeals were then pending on Interferences Nos. 77,671 and 77,672. There is also a public interest involved in the present case.[14] If plaintiff is estopped it will result in defendant's retention until September 3, 1963, ten years greater than plaintiff's of a monopoly grant which plaintiff alleges was improper and fraudulently obtained.[15] It

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[11] Preston v. White, 92 F.2d 813, 25 C.C.P.A., Patents, 701; Wettlaufer v. Robins, 2 Cir., 92 F.2d 573, certiorari denied 302 U.S. 766, 58 S.Ct. 477, 82 L.Ed. 594; Wallace & Tiernan Products, Inc. v. Pittsburgh Plate Glass Co., D.C.W.D.Pa., 57 F.Supp. 639.

[12] Interferences Nos. 77,671 and 75,433 involved matters contained in Jantz application Serial No. 749,977 and Etten application Serial No. 38,932.

[13] In accord with the general rule stated in Re Einstein, 18 C.C.P.A., Patents, 885, 46 F.2d 373.

[14] Defendant contends, "A party may not take advantage of estoppel effective against his opponent to take something from the public. In the present case the refusal of a patent to Etten will not affect the public interest and there is accordingly nothing in the Sinko [Sinko Tool & Manufacturing Co. v. Automatic Devices Corp.] 2 Cir., 136 F.2d 186, case which precludes the use of the defense of estoppel." (Brief for Defendants, Page 34).

[15] Mercoid Corp. v. Mid-Continent Investment Co., 320 U.S. 661, 64 S.Ct. 268, 88 L.E. 376; Sinko Tool & Mfg. Co. v. Automatic Devices Corp., 2 Cir., 136 F.2d 186, and see also the comment of the Supreme Court in Hazel-Atlas Glass Co. v. Hartford Empire Co., 322 U.S. 238, 64 S.Ct. 997, 88 L.Ed. 1250 and Precision Instrument Mfg. Co. v. Automotive Maintenance Machinery Co., 324 U.S. 806, 815, 65 S.Ct. 993, 89 L.Ed. 1381.

follows therefore that defendants' motion to dismiss the 4915 action must be denied. The important question is the extent to which new evidence may be considered and the effect to be given thereto. It is well settled that a bill in equity under 4915 is "an original independent action in which the questions in issue are tried de novo upon all competent evidence new and old."[16]

[4] We are not here concerned with the doctrine that where a party intentionally withholds evidence in his possession prior to and during the interference proceedings such evidence will not be considered in the equity proceedings.[17] The distinction has been pointed out in Minnesota Mining & Mfg. Co. v. Carborundum Co., 3 Cir., 155 F.2d 746, 748.[18] There is nothing before us to indicate that any evidence was intentionally withheld by plaintiff. There is, however, every reason to believe that some of the evidence now adduced, including documents which were in its possession, was intentionally withheld by Lovell. It is true that plaintiff suspected some of it and even so indicated to the Patent Court, but it was not until the newly discovered evidence was added that the plaintiff's interpretation thereof assumed meaning and spurred the search for additional documents and oral testimony.[19] The oral testimony upon which defendants previously had prevailed becomes in effect a nullity in the light of the composite picture created by the new evidence. It is contended that the

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[16] General Talking Pictures Corp. v. American Tri-Ergon Corp., 3 Cir., 96 F.2d 800, 812; Hoover Co. v. Coe, 325 U. S. 79, 83, 65 S.Ct. 955, 89 L.Ed. 1488; Minnesota Mining & Mfg. Co. v. Carborundum Co., 3 Cir., 155 F.2d. 746; Daniels v. Permutit Co., D.C.Del., 44 F.Supp. 74, reversed on other grounds, 3 Cir., 137 F.2d 823.

[17] Barrett Co. v. Koppers Co., 3 Cir., 22 F.2d 395; Schilling v. Schwitzer-Cummins Co., 79 U.S.App.D.C. 20, 142 F.2d 82.

[18] See also Globe-Union, Inc. v. Chicago Telephone Supply Co., 7 Cir., 103 F.2d 722, 728.

[19] Cf. Globe-Union, Inc. v. Chicago Telephone Supply Co., supra, for a situation very similar to the present case.

administrative decision supported by substantial evidence is conclusive under the doctrine of Morgan v. Daniels, 153 U.S. 120, 14 S.Ct. 772, 38 L.Ed. 657. The force and effect to be given such decision has been discussed in numerous cases.[20] The rule is stated in Minnesota Mining & Mfg. Co. v. Carborundum Co., 3 Cir., 155 F.2d 746, 748, 749, as follows: "Morgan v. Daniels states a rule of law whereby a fact question must be judged. The question therefore is whether all competent evidence, 'new' and 'old', offered to the District Court carries 'thorough conviction' that the Patent Office erred. General Talking Pictures Corp. v. American Tri-Ergon Corp., supra, at page 812 of 96 F.2d. A proceeding under R. S. Section 4915 is an anomaly. The trial in a District Court is a trial de novo. But the decision of the Patent Office may not be reversed unless the evidence before the court carries thorough conviction that the Patent Office erred. In other words, a District Court may not reverse the decision of the Patent Office on a mere preponderance of the evidence. More is required. The District Court must find that the decision of the Patent Office was without substantial basis in the evidence or was wrong as a matter of law."[21]

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[20] Most pertinent here is the comment of the court in discussing Morgan v. Daniels, supra, and Barrett Co. v. Koppers Co., supra, in Globe-Union, Inc. v. Chicago Telephone Supply Co., supra, 103 F.2d at page 727, as follows: "The additional evidence found in the trial court's record is not merely cumulative in nature. On the contrary, it carries with it thorough conviction, and strikes hard at the core of Schellenger's evidence." See also Appert v. Brownsville Plate Glass Co., C.C.W.D.Pa., 144 F. 115; Daniels v. Permutit Co., supra.

[21] We adopt, in toto, Judge Goodrich's comment in Daniels v. Permutit Co., supra, 44 F.Supp. at page 79, in passing upon the precise question here posed: "The court has in mind the decision of Morgan v. Daniels, 1894, 153 U.S. 120, 14 S.Ct. 772, 38 L.Ed. 657, and there is no disposition to minimize the importance of the considered judgment of the experts responsible for the administration of the Patent Office. But Morgan v. Daniels clearly has no application to the conclusion reached here because the new testimony is overwhelmingly in support thereof and was not before the officials in the Patent Office who made the award from which this appeal is taken."

In addition to the 4915 action, the granting of the Jantz Patent No. 2,406,951 during the pendency of this action raised the clear issue of priority between interfering patentees since the prior granted Etten Patent No. 2,054,970 and the Jantz patent are coextensive in their scope. Claim No. 34 of the Jantz patent, except for a slight change in phraseology is identical with Claim No. 13 of the Etten patent. If this Claim No. 34 of the Jantz patent is void, then there is no occasion for a disclaimer of claim No. 13 of the Etten patent and such claim is properly before the Patent Office in the reissue application. We comment on this since Counsel for defendants have devoted considerable argument to this point under their theory of estoppel. Such argument is predicated upon the theory that Claim No. 13 was involved in Interference No. 77,672. The Court of Customs and Patent Appeals merely authorized the Commissioner of Patents to issue a patent to Jantz because on the evidence as it stood in the record of the Patent Office it found Jantz to be the first inventor. Revised Statute 4918, 35 U.S.C.A. § 66 provides: "Whenever there are interfering patents, any person interested in any one of them, * * * may have relief against the interfering patentee, * * * by suit in equity against the owners of the interfering patent; * * *." The statute further provides that the court "may adjudge and declare either or both of the patents void in whole or in part."

[5] The plaintiff, when the Jantz Patent issued, certainly became entitled to a bill in equity under 4918 with the incidental right to a trial de novo on the primary issue of priority and was entitled by his amendment to include this additional cause of action. As was stated by the Supreme Court in Triplett v. Lowell, 297 U.S. 638, 644, 56 S.Ct. 645, 648, 80 L.Ed. 949, "* * * want of disclaimer of claims previously held invalid can never be set up as a bar in limine to the maintenance of a second suit upon

those claims, and any others of the patent, since the patentee is entitled to invoke in that suit the independent judgment of the court upon the validity of the claims which have been held invalid."

Etten's claim to priority as to Claim No. 13 as against Jantz's Claim No. 34 is the very issue involved in this action. It is difficult to see how Etten could be required to first disclaim that which he is seeking to establish and vindicate in this action. Especially is this true where, as in the instant case, plaintiff contends that such subsequent patent was fraudulently obtained. As was stated in Lorenz v. Colgate-Palmolive-Peet Co., 3 Cir., 122 F.2d 875, 880: "The right of a court under R.S., Sec. 4918, to declare either or both of two interfering patents invalid 'upon any ground' seems to us to dispose adversely of the plaintiff's contention that the defendant is estopped from denying the validity of the Lorenz patent because of matter incident to or growing out of the interference proceeding in the Patent Office, * * *. Any possible estoppel of parties would be without relation to the court's power to declare a patent invalid upon sufficient showing or its duty to exercise such power in an appropriate case."

[6] In addition to the matters hereinabove referred to, plaintiff also included in his complaint an action for damages predicated upon conspiracy. In a previous ruling in this case, Judge Schoonmaker held that under Rule 18 of the Federal Rules of Civil Procedure plaintiff in his complaint could join an action for damages for conspiracy to produce false and fraudulent evidence before the Patent Office and a bill in equity under Section 4915. This ruling constitutes the law of the case.[22]

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[22] Commercial Union of America v. Anglo-South American Bank, 2 Cir., 10 F.2d 937, 941, cited with approval in Price v. Greenway, 3 Cir., 167 F.2d 196.

Discussion of Facts

No difficulty would be experienced in arriving at the facts in this case were it not for the opinion of the Court of Customs and Patent Appeals, Etten v. Jantz, 142 F.2d 680, 31 C.C.P.A., Patents, 1177 involving Interferences Nos. 77,671 and 77,672, upon which opinion great stress has been placed by defendant.

In the proceedings before the Examiner of Interferences and the Board of Interference Examiners both parties took testimony by deposition only, which by stipulation was made applicable to all four interferences. As we have already indicated, this is a trial de novo, and the question therefore is whether all competent evidence, "new" and "old" offered herein carries "thorough conviction" that the Patent Office erred. We are of the opinion that this question must be answered in the affirmative in the following particulars.

The opinion of the Court of Customs and Patent Appeals was predicated primarily on the depositions of Gustave H. Jantz, Bernard A. Brueggeman, Joseph Dasbach, Herman Onck, Mrs. Herman Onck, and the authenticity of Jantz Exhibit "O".

The court in Etten v. Jantz, supra [142 F.2d 683], conceded that where the usual records are absent the oral testimony[23] must be scrutinized, but concluded that it found "nothing in the record impugning the credibility of said corroborating witnesses." This testimony was dependent upon the authenticity of and time element involved as to the alleged first completed wringer (Jantz Exhibit "O", Patent Office) as to which considerable emphasis was placed on a change from keyhole slots to round holes, pursuant to an infringement notice, which was stressed as fixing a date prior to which this Exhibit "O" had been completed. That court did not have before it facts now revealed which present an entirely different picture. As to the physical Exhibit "O", the testimony of Jantz in the deposition taken in October 1940, under the questioning by Attorney Lord, would give the impression that at the time the question of evidence for the Patent Office first arose this wringer was produced immediately by Jantz.[24] It now appears, from the defendant's own records, known to Attorneys Lord and Herbsleb at the time but not revealed,[25] that at the time of Jantz's first preliminary statement of March 16, 1938,[26] Jantz had not mentioned or produced this wringer.

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[23] All testimony was by deposition.

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[24] Plaintiff's Exhibit No. 155, Pages 21, 22, Questions and Answers 95, 96:

"Q95. How did you come to have this exhibit,—will you tell us where it came from, and how you came to get it for this case? A. All of it, or what?

"Q96. Where was it after it was made,—where was it put? A. After it was made it was kept awhile, and then I took it out and showed it and then brought it back to the factory, and when it was decided that the Corcoran Company would quit business and sell out, I gathered up a certain number of wringers of different makes and ours, this included, because I wanted it as a sort of, you might say, keepsake, and I put all of those things in one corner of the factory floor, and put a card on it,—property of G. H. Jantz. And then, later on, as things were being moved out of the factory by the people that had bought those articles, I had a truck take all of these old wringers and stuff, all I had put in the corner, and sent it down to the Boss Washing Machinery Company, who very kindly allowed me to put it in a corner down there in one of their factory rooms, and when this matter came up, and I wanted something, I went down there to the Boss Washing Machine Company and picked us some things, and among them I picked up this wringer."

[25] Nor was it revealed at that time that Attorney Lord was actually acting on behalf of Lovell, the then assignee thereof, which assignment was not however placed on record, nor that Herbsleb was being paid by Lovell. Throughout there was a careful plan manifest to give the impression that it was solely a battle by the elderly Jantz.

On the contrary, Brueggeman, one of the corroborating witnesses, sometime prior to April 30, 1938, had turned over to Mr. Jantz what was then thought to be the "first Jantz Toggle Wringer" that was made. This was the statement of Herbsleb to Lord in a letter of April 30, 1938.[27] It was later discovered that this wringer was made of production parts[28] for which the dies were not in existence until sometime after September 21, 1933.[28½] Although, according to Herbsleb, Jantz and Brueggeman both told him it was the first wringer and he himself ascertained that it could not be sustained as such,[29] nevertheless, in spite of such developments, Herbsleb now contends that Jantz finally in December 1939, produced Exhibit "O", and that he asked Jantz for no explanation.[30] It is significant that this occurred after a meeting between Lord, Herbsleb, Kauffman, Jantz, and Brueggeman.[31] Under such circumstances, Jantz in his deposition, made in accord with a memorandum previously prepared for him,[32] testified as though it was his personal knowledge as to matters concerning which he had never had any doubt and as to which he had never had any occasion to change his story. The evidence now adduced presents an entirely different picture. In their brief for Jantz[33] before the Board of Appeals, Lord and Herbsleb[34] stressed the authenticity of Exhibit "O", and the evidence to the effect that Exhibit "O" was the first wringer; that immediately thereafter a second wringer was made, while parts of Exhibit "O" were being plated; that they were made with keyhole slots, and that a Notice of Interference as to keyhole slots given to Corcoran Mfg. Company by Lovell on June 17, 1932,[35] was intended to establish that such wringers were made prior thereto;[36] and that the base with keyhole slots was removed and a base with round holes introduced but that the uprights were in the original wringer.[37] Using the original infringement notice as to the keyhole slots as a basis for giving credibility to the testimony of the witnesses as to dates prior to June 1932, Lord and Herbsleb, although they elicited such testimony from the witnesses,[38] never referred to or revealed the correspondence between themselves,[39] which followed this infringement notice, and which now shows that no final determination was reached and the arrangements for such a change not made until after the receiver was appointed[40] and until some unknown time after Herbsleb's letter of October 10, 1932.[41] Climaxing all this is the conclusive proof now before this Court that the entire frame of Exhibit "O" was not in existence until after such change had been made as to the preceding wringer models, and that the bottom bar on such frame never had been changed from a keyhole slot to a round hole. Such bottom bar never was removed and such frame must have been made after the change in production to a frame with round holes in the base.[42]

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[26] Plaintiff's Exhibit No. 166. In this preliminary statement Jantz fixed April 10, 1933, as the date when the machine was first successfully operated. Lovell, through Lord and Herbsleb, had succeeded in substituting an amended statement with the earlier date of completion. It was not at that time revealed that several other statements had been prepared for and by Jantz fixing intermediate stepped-up dates. This first statement was finally produced by Counsel for defendants in the present proceedings, but most reluctantly on the last day of the hearings.

[27] Plaintiff's Exhibit No. 27a.

"Mr. Brueggeman also turned over to Mr. Jantz the first Jantz Toggle Wringer that was made, and I have had some photographs made of it.

* * * * * *

"Mr. Brueggeman states that this first wringer was begun on or about the 1st of June, 1932, and completed and successfully operated on or about the 1st day of December, 1932. He said this first wringer was used at that time in actually wringing clothes, and that it operated successfully."

[28] Herbsleb now admits that the first time he saw or had any knowledge of Exhibit "O" was in December 1939 (Plaintiff's Exhibit No. 135—Testimony of Herbsleb—Question 204 et seq.), although prior to December 1939, he spent considerable time with Jantz, Brueggeman, and others (Plaintiff's Exhibit No. 135—Testimony of Herbsleb—Question 280, and his various reports to Lord).

[28½] Plaintiff's Exhibits Nos. 54 and 55 (A—I) (Order and quotations for Dies).

[29] Plaintiff's Exhibit No. 135—Herbsleb's testimony, Questions 225, 226, 227.

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[30] Plaintiff's Exhibit No. 135—Herbsleb's testimony, Question 218.

[31] Plaintiff's Exhibit No. 135—Herbsleb's testimony, Questions 276-281 and cf. as to time element and activities thereafter. Herbsleb's letter and memo of December 16, 1939 (Contained in Plaintiff's Exhibit No. 27b).

[32] See Herbsleb's letter of October 17, 1940, and accompanying memo (Plaintiff's Exhibit No. 27c).

[33] Brief for Gustave H. Jantz in the United States Patent Office, before the Board of Appeals, Pages 22-32.

[34] Actually at that time representing the present defendant Lovell, the unrevealed assignee (e. g. See Herbsleb's letter to Lord, dated November 5, 1940—Plaintiff's Exhibit No. 92).

[35] Jantz Patent Office Exhibit "K".

[36] Brief for Gustave H. Jantz in the United States Patent Office, before the Board of Appeals, Page 30.

The other method used by the witnesses in the depositions in the Patent Office proceeding to tie in Exhibit "O" with the other occurrences was the contention that Exhibit

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[37] Brief for Gustave H. Jantz in the United States Patent Office, before the Board of Appeals, Page 28.

[38] The correspondence indicates that Lord originated the idea of using the June, 1932, letter at one of the conferences with witnesses (e. g. Letters of December 7, 9, and 19, 1939, Plaintiff's Exhibit No. 27b).

[39] e. g. Plaintiff's Exhibits Nos. 56, 57, 58, 95, and 96.

[40] Receiver was appointed September 1932. Lord wrote to the Receiver on October 3, 1932 (Plaintiff's Exhibit 96).

[41] Plaintiff's Exhibit No. 95, and see also Plaintiff's Exhibit No. 135—Herbsleb's testimony, Questions 165 to 182 inclusive, and the exhibits referred to therein.

[42] Transcript of Proceedings at Erie, Pennsylvania, October 21-23, 1946. Testimony (Page 141 et seq.) of C. Weston Steward, an expert on welding, that such wringer frame was never rebuilt or changed.

"O" had certain parts plated and such plating was done by one Al Yaegers, while the second or duplicate wringer was being made immediately after Exhibit "O" had been completed.[43] Evidence now adduced proves convincingly that this actually occurred in April 1933,[44] and affirms the irresistible conclusion that Exhibit "O" was not completed and in existence until that year. This conclusion is also in accord with the uninfluenced sworn first preliminary statement of Jantz[45] that the wringer was completed and first successfully operated about April 10, 1933. It is also in accord with a letter Jantz wrote on February 19, 1938, to the Lovell Mfg. Co.,[46] and again on February 22, 1938, to Lord,[47] and reaffirmed in a letter to Lord on March 3, 1938.[48]

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[43] Plaintiff's Exhibit No. 155, Pages 97 and 102, Dasbach in his deposition testified:

"Q196. The one that you kept, was that the first one you made, which is the one plated, was that the first or some of the others? A. The one that was plated, it was the first.

"Q197. How did you come to make the second one after the first one, do you remember anything about that? A. Well, the plater that worked for Corcoran, he was located downtown,—they took, after I had the parts all tried out,—we took those parts they had to be plated, to the plater, and while they was at the platers' I started to work on the parts for the second one. By the time they come back for assembling, I had them pretty near ready, and I could compare them with the parts that was made first; at the same time we kept the frame and I tried those parts I made out in the frame.

* * * * * *

"XQ247. You said when you made this original Jantz Exhibit O, that the original parts which you identify as now present on Jantz Exhibit O, were taken to the plater to be plated, as they now appear? A. Yes.

* * * * * *

"XQ253. Well, these particular parts were plated at some particular time, were they not? A. Well, they was plated in 1932."

Cf. Brief for Gustave H. Jantz submitted by Lord and Herbsleb before the Board of Patent Appeals, United States Patent Office (Pages 25, 26).

[44] Transcript of Proceedings at Erie, Pennsylvania, October 21-23, 1946. Testimony of Aloysius H. Yaegers, Page 104 et seq.

[45] Plaintiff's Exhibit No. 166—Jantz's first preliminary statement which was sent by Herbsleb (in letter of March 16, 1938, in Plaintiff's Exhibit No. 27a) to Lord, not known to the Patent Office and reluctantly produced on the last day of the present trial.

Kauffman, on behalf of Lovell Mfg. Co., then interviewed Jantz. Kauffman's report to Lord on April 15, 1938, is illuminating.[49] In spite of the fact that Kauffman himself took a production wringer and in a few weeks developed a toggle release for it shortly after Jantz had visited him in June 1933,[50] and in spite of the fact that Jantz "* * * steadfastly maintained that it was only a matter of a couple of months from the first conception of the invention until they had a sample and took orders from Nineteen Hundred",[51] and in the face of the fact that Jantz insisted he had obtained the idea from the Voss Wringer,[52] Kauffman exerted extreme pressure on the aged Jantz[53] attempting to convince him that it must have taken from a year to a year and a half.[54] Kauffman also knew that Jantz was in straightened financial circumstances and hopeful of getting employment with Lovell Manufacturing Company[55] to whom he had assigned his patent application, with a balance of $1500 dependent upon a successful outcome of such proceedings.[56] The effort was to get Jantz to make a preliminary statement giving a date antedating the Etten date.[57]

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[46] Plaintiff's Exhibit No. 10. In this letter to Lovell Mfg. Co. Jantz stated:

"Not long after the first sample wringer equipped with toggel-lever device was finished I showed it to Nineteen Hundred Corp. who gave me an order June 20, 1933. As the dies for production had not been made, nor even started on, because I wanted to find out first whether or not the Trade would buy this wringer, immediate shipment could not be made."

[47] Plaintiff's Exhibit No. 12. In Jantz's letter to Lord he stated:

"The sample Toggel-lever wringer which I showed June 20, 1933 I think, was talked about, off and on, during it's construction about thirty day previous to June 20, * * *."

[48] Plaintiff's Exhibit No. 17. Jantz wrote:

"The two release bars came as a suggestion from a wringer which was so constructed, and which I had obtained from a W.M.M. and brought to the factory, for the purpose of figuring to make it.

* * * * * *

"The four different models which were being manufactured were made according to my directions and approval, so the toggel-lever lock was constructed more or less according to my directions, and when I approved it a sample wringer was finished, which I took on a trip to show and find out what the W.M.M. would say about it, so as to decide whether or not we would be justified to go into production of the wringer.

"I believe the first W.M.M., at least one of the first, I showed this wringer to was the Nineteen Hundred Corp. June 20, 1933 according to their order, therefore I judge that it must have been about a month previous to this date when the toggel-lever device was first mentioned, of course I thoroughly tested the wringer before I took it on the trip."

[49] Plaintiff's Exhibit No. 14.

[50] Plaintiff's Exhibit No. 134, Page 68.

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[51] Plaintiff's Exhibit No. 14—Kauffman's report to Lovell Mfg. Co. of interview with Jantz.

[52] Plaintiff's Exhibit No. 14—Kauffman's report to Lovell Manufacturing Company of interview with Jantz.

"One other thing that was discussed at some length was that Jantz had frequent contacts with Walter Voss at the Voss plant about the inverted U type release bar. Jantz said that he got this proposition of having one of those bars on either side of the wringer from Voss, and had gone ahead and made up a model using this mechanism on the Corcoran wringer * * *. He stated that one of the reasons why he didn't think it took them long to work up the toggle job was that he already had the release bar part of it done due to his work on the Voss-Chamberlain wringer and that he therefore had only to invent a new release mechanism, that is, the toggle, in order to complete it."

[53] Although Jantz was actually 82 years of age (Plaintiff's Exhibit No. 51) Jantz in his deposition, under the questioning of Lord, gave his age as 65. (Plaintiff's Exhibit No. 156, Jantz Deposition, Question 1.)

[54] Plaintiff's Exhibit No. 14—Kauffman's report of April 15, 1938, covering the meeting on Good Friday states:

"I argued with him that on the face of it this didn't look right to us because our experience was that it took from a year to a year and a half, rather than just two or three months, to get this much accomplished. Jantz wouldn't budge an inch for a couple of hours under more or less a third degree from me. I understand this was the position he took when he was in Erie and he seemed to have his mind stubbornly shut on the subject."

[55] Plaintiff's Exhibit No. 14—Kauffman's report.

"He seems very kindly disposed toward the Lovell Company in every way although quite downcast that we weren't taking him back to work and professed to be still hopeful that Mr. A. M. Doll would some day give him another opening. I evaded this question entirely."

Also in the report "I gathered from all appearances that Jantz is in pretty straightened financial circumstances, terribly distressed and worried and pretty wobbly in every way."

What occurred between April 30, 1938, and May 3, 1938, leaves much to the imagination, but it is clear that on May 3, 1938, Jantz again executed a sworn preliminary statement in which the date of conception was stepped up to April 1, 1932, and date of completion to September 1, 1932.[58] This is the preliminary statement which was filed to meet the time limit of May 6, 1938, and subsequently, before opening thereof in the Patent Office, replaced by the sworn final preliminary statement of January 2, 1940.[59] As to the methods used to obtain the substitution of this statement, it is pertinent to note that Herbsleb made an affidavit[60] in which he states that Jantz did the investigating and reported to him,[61] and that the statement of Jantz as to the destruction of the records of the Corcoran Company as to such wringers was to the best of his knowledge true.[62] Against this affidavit appears the correspondence between Herbsleb and Lord and Herbsleb's memoranda made during the intervening period which shows conclusively that Herbsleb directed the investigation and did a great deal of the interviewing himself; knew that Brueggeman had turned over to him some pertinent office records (which will be touched upon later) and records as to the Modern Tool Co. in connection with the dies for production of the wringer, in fact, had sent them personally to Lord who kept them, unrevealed, in his files, and knew that such records, although pertinent, had not been shown to the witnesses whose recollection might have been aided thereby. As to the Examiner's statement in allowing the substitution that "Jantz did not at the time of his motion know what dates Etten was urging and therefore the motion should not be summarily denied," Herbsleb and Lord in their brief before the Board of Appeals stated: "Further, there is no suggestion that Jantz's counsel (Herbsleb) at the date the original statement was made had any knowledge of this prior testimony, and *nothing to indicate the communication*

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[56] Plaintiff's Exhibit No. 26. This assignment was not revealed during the Patent Office proceeding. The depositions gave the impression that it was an unaided effort by the elderly Jantz himself.

[57] Kauffman, Chief Engineer of the Lovell Manufacturing Company, at that time knew the Etten filing date of December 23, 1932, and was striving to get Jantz, by intermediate stages, to step up the dates. In his report (Plaintiff's Exhibit No. 14) Kauffman stated: "I took him over to the Church to the noonday services to try and break up the deadlock in his thinking. It did some good for after Church, and resting his mind a bit he decided that it might have been as early as January, 1933 when he first thought of the toggle device. This did not seem like much gain, but it was so hard fought that I didn't want to lose it, so I called up Herbsleb and took Jantz up there to make up new preliminary statements."

(Note) This second known preliminary sworn statement also was suppressed and was never used, but is again mentioned in Herbsleb's letter to Lord of April 23, 1938 (In Plaintiff's Exhibit No. 27a) and the same dates repeated in his letter of April 30, 1938 (In Plaintiff's Exhibit No. 27a) in which letter he also states: "Mr. Brueggeman states that this first wringer was begun on or about the 1st of June, 1932, and completed and successfully operated on or about the 1st of December, 1932. He said this first wringer was used at that time in actually wringing clothes, and that it operated successfully." This is the wringer which was made from parts produced from dies which were not in existence until sometime after September 21, 1933 (Plaintiff's Exhibit No. 54).

[58] Herbsleb's letter to Lord, dated May 3, 1938 (In Plaintiff's Exhibit No. 27a and Plaintiff's Exhibit No. 145).

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[59] Plaintiff's Exhibit No. 146.

[60] Part of the Renewal of Motion For Leave to File Substitute Preliminary Statement, Plaintiff's Exhibit No. 150.

[61] E. g. (Plaintiff's Exhibit No. 150) "Affiant thereupon requested the party Jantz to diligently re-investigate * * *, and that as the result of such re-investigation, the party Jantz supplied affiant with the dates and information contained in the substitute preliminary statement * * *."

[62] Plaintiff's Exhibit No. 150 (Affidavit of Herbsleb contained therein).

of any knowledge that the *later associate* attorney might have to Jantz.'' (Emphasis supplied.) This has an ironic ring in view of the fact that the Lovell Manufacturing Company was the unrevealed real party in interest; that Lord was their Attorney; that Herbsleb was actually employed by Lord throughout, was being paid by the Lovell Manufacturing Company; and that their correspondence shows they were making every effort to ascertain Etten's dates and that as their knowledge thereof increased, their efforts to step-up Jantz's dates increased[63] and in doing so avoided the use of records which they knew might have an adverse effect. This is true as to further proof of Exhibit ''O's'' 1933 origin given by Louis M. Ellebrecht, who was Purchasing Agent and somewhat of a General Supervisor at the Corcoran Manufacturing Company. Herbsleb contacted Ellebrecht[64] prior to the taking of the Patent Office depositions, and although he had in his possession the two Corcoran Company records which Brueggeman had turned over to him and which clearly showed Ellebrecht as a participant in certain phases of the Model ''T'' wringer development,[65] did not show them to Ellebrecht.[66] If further proof

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[63] E. g. Lord's letter to Herbsleb, dated September 13, 1938, (In Plaintiff's Exhibit No. 27a); Lord's letter to Herbsleb, dated January 2, 1940 (In Plaintiff's Exhibit No. 27c); Herbsleb's letter to Lord, dated February 29, 1940 (In Plaintiff's Exhibit 27c); Kauffman's Testimony (Plaintiff's Exhibit No. 134, Page 44, et seq.). Kauffman and Lord were in the Etten v. Kauffman trial on October 5, 1939.

[64] Ellebrecht's testimony (testimony at Erie Trial, October 21-23, 1946, at Page 79) as to this is confirmed by Herbsleb's own notes (e. g. Memo of May 29, 1940, Plaintiff's Exhibit No. 27c, in which appears ''He said that * * * he had no means of fixing the dates, * * *'').

[65] Plaintiff's Exhibit No. 53. Inter-office Memorandum from Ellebrecht to Brueggeman dated June 13, 1933, which stated:

''If it is possible, I would like to have prints on the new parts for the Model 'T' Wringer sample of which Mr. Jantz took out yesterday.

(Continued on p. 37a)

were needed that the Model "T" wringer was not developed until 1933, it is convincingly supplied by Ellebrecht's testimony,[67] which dovetails with Jantz's original "unassisted" recollection and with the now available additional facts and records. It is also confirmed by the testimony of Mrs.

(Footnote 65—Continued)

"All these parts should be lined up and be all set to go if Mr. Jantz does secure any orders for this type of wringer."

Plaintiff's Exhibit No. 52. Memorandum to Brueggeman and Ellebrecht, dated November 17, 1933, which stated, inter alia: "Now that we have the Model T Wringer completed, the first thing we ought to do is to get up a complete Parts List of all parts."

[66] Transcript of Proceedings at Erie, Pennsylvania, October 21-23, 1946, Ellebrecht's testimony, Pages 79 and 80, in which he further states: "If he had showed me those memorandums at that time, I probably could have given him some more definite information; * * * he asked for dates at that time * * *."

[67] Transcript of Proceedings at Erie, Pennsylvania, October 21-23, 1946. Ellebrecht testified that they continued experimenting until they developed the Toggle release (Page 72); that they were working under receivership (which was after September 1932) and desperately needed something different (Page 73); that he placed the order in September 1933, with Modern Tool Co. for the dies for production (Page 74); that the Model "T" wringer was actually completed about June 1933, (Page 74) when the wringer was set up on a washing machine and tested (Page 74) and that "We put it on the machine and it seemed to work satisfactorily, and it was so different, and Mr. Jantz was so anxious to get out with it that—well, it was just a rush job getting it completed and painted and certain parts plated and everything ready so Mr. Jantz could rush out with this model in order to get the business. You see, he was just as anxious to get this business as we were, because while we were in receivership and financial difficulties, he was,— * * * in financial difficulties himself, * * *." (Pages 74, 75); that Al Yaeger did the plating (Pages 75 and 80); that they pushed Al Yaeger to get the plating done "* * * because we were that anxious to get Mr. Jantz on the road with that sample." (Page 80): that there were no unnecessary delays, the breaking down of the "big press" at that time being considered quite a blow (Page 89) and confirmed Yaegers' Testimony as to starting in business at the end of 1932 (Page 90); and that there was no question about getting money to start production (Page 94); and the further fact that the Corcoran inventory which he took at the time of the receivership did not include a wringer corresponding with Exhibit "O".

Blanche Schneider Patzhold.[68] Further confirmation of the completion of the wringer in 1933 is found in the testimony of Anthony Busam, a tool die maker, who took care of large dies and general machinery repair at Corcoran Manufacturing Company. He was interviewed by Herbsleb in 1940,[69] but not shown the Corcoran records nor the wringer,[70] and was not called as a witness.[71]

A further recital of additional details now revealing the true picture would serve no further purpose. It is now clearly apparent that Jantz knew and that the fact was that his Toggle Release Wringer (Exhibit "O") was not completed and reduced to practice until sometime in March or April 1933. The concealment of material records and knowledge on the part of Herbsleb, Lord, and Kauffman; the use of records out of context, as in the use of the infringement notice of June 17, 1932, in the face of the remaining correspondence in their files giving an entirely different time element to that event, and the personal knowledge of Lord and Herbsleb concerning the same; the now quite evident pressure brought upon Jantz, an aged man of 82 rather than the age of 65 given in his deposition; the advantage taken of his straightened circumstances; the false picture given by the concealment of the true party in interest; the eliciting of statements in the depositions of witnesses which in the light of their own personal knowledge they must have known were not true, present a sordid picture.

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[68] Plaintiff's Exhibit No. 137. Testimony of Mrs. Blanche Schneider Patzhold (employed at Corcoran as receptionist, typist, etc.) that the Model "T" was completed in 1933 (Page 59), definitely after the receivership commenced (Pages 57, 59, and 63). She was called to a conference in 1940 at which Herbsleb, Jantz, Brueggeman and others from "the factory" were present, but she was not called as a witness in the Patent Office proceedings (Page 61).

[69] Plaintiff's Exhibit No. 137. Testimony of Anthony Busam (Page 25).

[70] Plaintiff's Exhibit No. 137. Testimony of Anthony Busam (Pages 28, 30, and 31).

[71] Plaintiff's Exhibit No. 137. Testimony of Anthony Busam, Busam saw Dasbach working on the development of this wringer, the first time, in 1933 (Page 23). Busam was at the time repairing the "big fender draw press" referred to by Ellebrecht (Page 15); described Al Yaeger as the plater of the handle (Page 25) and that "They took it (the wringer) up and they Ducoed it and Jantz took it on the car and away he went" (Page 24).

A brief comment on the depositions of the corroborating witnesses in the Patent Office proceeding may be in order. Jantz in his deposition had stated that the frame was first made with the keyhole slot; that they made another lower section of this frame with round holes, and put in that section.[72] It is now known that Exhibit "O" was never so changed. It is now known that this wringer was not made until 1933. Brueggeman likewise knew that a change from keyhole to round hole in the general manufacturing of wringers had been made and also used it as fixing a date prior to which certain events occurred, but he was shown by Lord and Herbsleb only the letter of June 1932, not their subsequent correspondence, so that he would use that date to refresh his recollection as to the time of change. It now appears such change was not made until after the receivership. Furthermore, Lord and Herbsleb were Counsel at the taking of depositions and avoided any reference to the Corcoran records he had turned over to them. His testimony gave the impression that it was his original personal recollection. It gave no intimation that he had produced a wringer made of production parts and claimed it to be the original, or that he had changed and stepped up his dates from those he originally gave. He was asked about the Voss advertisement appearing in the June 1932 issue of the Electrical Merchandising Magazine, which was used as a focal point in fixing the stepped-up dates.[73] In the light of what is now known, an analysis of Jantz's deposition shows that his recollection of that advertisement was with reference to the three sided or U-shaped release for which Jantz already had a patent, and which appeared in the Voss picture. Brueggeman now admits he did not know whether the ad showed a toggle release, in fact, could not see the mechanism; that the event had reference to the three sided release bar on which Jantz already had a patent, which he had shown around the shop; that it had no bearing at all on this toggle lever release.[74]

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[72] Plaintiff's Exhibit No. 155. Jantz's Deposition (XQ. 285).

In view of the general indication throughout the evidence that there was continuous experimentation, it is unbelievable that Jantz, with a patent issued in 1931, on a three sided release bar, had not tried it out on some of the earlier wringers. The advertisement incident no doubt occurred with some comment on Voss coming out with a three sided release bar but not as to the toggle release development, nor as to Exhibit "O". Brueggeman now denies a great many things he stated in the affidavit[75] signed by him in connection with the substituted preliminary statement,[76] and finally admits that he might be a year off on his date. He stated: "I'm afraid that's what the trouble might be."[77]

Dasbach's deposition gave the impression that his testimony was his own recollection, uninfluenced and unrehearsed. He testified that he had first seen the drawings of the wringer development, had first talked to Herbsleb that morning, in fact that he had not talked with anybody about the case before that morning.[78] Herbsleb and Lord permitted him to so testify knowing (as their records now conclusively show) that Dasbach, as he now admits,[79] had been present at numerous conferences with Herbsleb, Lord, Jantz, and Kauffman. A built-up story was thus given the appearance of a fresh uninfluenced original recollection that would have great bearing on credibility. In his deposition he fixed the time by the fact that two accidents happened on the same day and that he was working on the wringer.[80] Yet he now reluctantly admits that he was working on a wringer at another time when two accidents occurred in one of which he himself was injured, but he cannot state what model wringer.[81] He admits now that he could not state the model he was working on at the time of the accident mentioned in his deposition,[82] and to the question "You mean on this Exhibit O here, this one that is painted green?" answered "Oh, I couldn't tell. I was working on a handle. I didn't have the rest of it." The analysis could continue, but suffice it to say that Dasbach's deposition in the light of the cold facts now known clearly becomes worthless.

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[73] Plaintiff's Exhibit No. 155. Brueggeman Deposition (Q. 126). This was also a material factor in his affidavit which accompanied the application to substitute the later preliminary statement.

[74] Plaintiff's Exhibit No. 137. Brueggeman's Testimony (Q. 429 et seq.).

[75] Plaintiff's Exhibit No. 150.

[76] Plaintiff's Exhibit No. 137. Brueggeman's Testimony (Q. 385 et seq.).

[77] Plaintiff's Exhibit No. 137. Bruggeman's Testimony (Q. 545).

The depositions of Herman Onck and his wife and the date of April 10, 1932, fixed by the "Cat" date, were important factors in the Patent Office proceedings, and were tied in with the Exhibit "O" which was non existent on

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[78] Plaintiff's Exhibit No. 155. Dasbach's Deposition (Q. 279 et seq.).

[79] Plaintiff's Exhibit No. 137. Joseph Dasbach's Testimony (Q. 184, Page 107, et seq.).

[80] Plaintiff's Exhibit No. 155. Dasbach's Deposition (Q. 138, Page 90, et seq.).

[81] Plaintiff's Exhibit No. 137. Testimony of Joseph Dasbach (Q. 237, Page 115, et seq.).

[82] Plaintiff's Exhibit No. 137. Testimony of Joseph Dasbach (Q. 242, Page 115, et seq.).

April 10, 1932. April 10, 1932, was a Sunday. Both Mr. and Mrs. Onck now admit they did not go to the factory on a Sunday.[83] They have given no satisfactory explanation. Virginia Morris, who made the "Cat" entries, confirms the entry as having been given to her by the Oncks and not a guess, as was the case in some other entries where a question mark or other notation appears.[84] Her testimony and the "Cat" record also shows that "Sudie" had other litters, one as late as September 1933. Mrs. Onck now admits she never did the washing, was not particularly interested in washing machines.[85] She thought Exhibit "O" was the wringer she saw because it had the bar on the front. She is not even sure now that the one she saw had a bar.[86]

In view of the fact that the three sided bar release was patented by Jantz in 1931, and that Jantz must have tried this out in some form or other during the course of experimentation, and in view of the fact that tests such as were made with Exhibit "O" were frequently made, as various changes were made on the wringers, it is quite possible that she did see a wringer tried out with a bar in front which to her gave it the appearance of Exhibit "O," but we now know it was not the toggle release wringer Exhibit "O" which she identified in her deposition.

Onck in his deposition gave the impression that he was called on the telephone and gave such detailed information that he was asked to come to Cincinnati, did so, discussed the nature of the testimony, and then appeared to testify.[87] When asked whether Dasbach was present, he gave answers which would leave the impression that he had not been concerned about the other witnesses.[88] He now admits that Herbsleb told him there were no Corcoran Company records;[89] that he discussed the matter with Dasbach in detail to find out what he could to tie to dates.[90] He was present at two supper meetings where most of the witnesses and possible witnesses were present[91] and with Kauffman present at least at one such meeting.[92] He went to Dasbach's home a number of times while assisting in the investigation.[93] There is a conflict as to whether Onck arranged to see the other witnesses[94] or whether Herbsleb did.[95] His only interest was to do the investigating work and get paid for it.[96] He considered that he was working for Herbsleb.[97] Herbsleb never showed him Jantz's earlier statement.[98] In searching for material he was aided by Herbsleb and Brueggeman.[99] He worked with Brueggeman to build up the case even though he now admits that he and Brueggeman "* * * didn't get along so hot."[100]

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[83] Plaintiff's Exhibit No. 136. Testimony of Herman Onck (Q. 135, et seq.).

Plaintiff's Exhibit No. 136. Testimony of Mrs. Sara Onck (Q. 26, et seq.).

[84] Plaintiff's Exhibit No. 137. Testimony of Virginia Morris (At Page 70, Q. 6, et seq.).

[85] Plaintiff's Exhibit No. 136. Testimony of Mrs. Sara Onck. (Q. 61).

[86] Plaintiff's Exhibit No. 136. Testimony of Mrs. Sara Onck. (Q. 67-73).

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[87] Plaintiff's Exhibit No. 155. Herman Onck's Deposition (XQ. 188 et seq.).

[88] Plaintiff's Exhibit No. 155. Herman Onck's Deposition (XQ. 200 et seq.).

[89] Plaintiff's Exhibit No. 136. Herman Onck's Testimony. (Q. 419 et seq., and Q. 152).

[90] Plaintiff's Exhibit No. 136. Herman Onck's Testimony (Q. 325 et seq., and Q. 52 et seq.).

[91] Plaintiff's Exhibit No. 136. Herman Onck's Testimony (Q. 333 et seq.).

[92] Plaintiff's Exhibit No. 136. Herman Onck's Testimony (Q. 89).

[93] Plaintiff's Exhibit No. 136. Herman Onck's Testimony (Q. 341 et seq.).

[94] Plaintiff's Exhibit No. 136. Herman Onck's Testimony (Q. 358 et seq.).

[95] Plaintiff's Exhibit No. 27c. Herbsleb's letter to Lord dated October 10, 1940.

[96] Plaintiff's Exhibit No. 136. Herman Onck's Testimony (Q. 391 and Q. 25 to Q. 36 inc.).

[97] Plaintiff's Exhibit No. 136. Herman Onck's Testimony (Q. 380 et seq.).

[98] Plaintiff's Exhibit No. 136. Herman Onck's Testimony (Q. 392).

It is important to note the effort that was made to find some event that occurred in the Spring of 1932 which could be used as a tie-in date and which resulted in the unfortunate choice of April 10, 1932. "Sudie's" one offspring was given a special "build-up." In explaining why that particular cat was outstanding he stated, " 'Sudie' was not merely a beautiful animal, but the father of the cat was 'Bobby Cresco'; 'Bobby Cresco' was the father of 'Bobby Shafto'."[101] Yet as to another cat "Pee Wee," a registered cat with full pedigree, also with "Bobby Cresco" as the father and born to "Sudie" on August 20, 1932,[102] he referred to it as "a little stray cat that we picked up."[103]

The above analysis of the false impression given by the deposition of Onck could be multiplied. It no longer appears as the disinterested unassisted statement of a disinterested person who was called on the telephone and then was called in shortly thereafter to testify.

All of the evidence before the Patent Office thus reviewed in the light of the new evidence now obtained, both in character and amount, carries thorough conviction that there was an arbitrary stepping-up of the Jantz date by one year; that when Jantz originally insisted on April 10, 1933, instead of April 10, 1932, he had some reason for stating that specific date and was correct. It now appears convincingly that there was a deliberate effort on Kauffman's part to step-up the date to antedate Etten's without regard to actual fact, and that Herbsleb and Lord kept unrevealed a great many factors, known to them, which they must have known would entirely alter the picture. No longer can it be said "We find nothing in the record impugning the credibility of said corroborating witnesses. * * *."[104]

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[99] Plaintiff's Exhibit No. 136. Herman Onck's Testimony (Q. 52 et seq.).

[100] Plaintiff's Exhibit No. 136. Herman Onck's Testimony (Q. 156).

[101] Plaintiff's Exhibit No. 136. Herman Onck's Testimony (Q. 215).

[102] Plaintiff's Exhibit No. 103.

[103] Plaintiff's Exhibit No. 136. Herman Onck's Testimony.
"Q. 214 Now then, when you bred your cat later in 1932 the second time, you had a very famous offspring named 'Pee Wee', didn't you? Don't you remember 'Pee Wee'? A. No, that was just a little stray cat that we picked up; in fact, I don't recollect much of that name 'Pee Wee'."

Summary

[7] That there was a deliberate effort on the part of Lord, Herbsleb, and Kauffman to step-up the Jantz date of invention and reduction to practice on behalf of Lovell Manufacturing Company without regard to the truth thereof, is apparent throughout these proceedings and certainly must be characterized as fraud in connection with the obtaining of a finding of priority in favor of Jantz and the subsequent issuance of a patent thereon.

While this conduct on the part of Lord, Herbsleb, and Kauffman was in my judgment reprehensible in the extreme I am constrained under the circumstances of the case to deny plaintiff's claim for damages on the ground of conspiracy. I do find as a fact, however, that such fraud was a major contributing factor in the award of priority to Jantz and the subsequent issuance of a patent on his application by the Patent Office, furthermore I also find as a fact that the chief motivating forces throughout this entire build-up procedure were Lord and Herbsleb, both Attorneys but neither one a defendant.

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[104] Etten v. Jantz, 142 F. 2d 680, 683, 31 C.C.P.A., Patents, 1177.

The action here was brought to determine the priority of the claims between the two parties. The proceedings continued over a long period of time and finally reached the point where all parties agreed that the 4915 and 4918 suits were finished business and an order was entered on December 9, 1947, confirming this understanding.[105] In the light of this agreement and confirming order, defendant cannot now by dilatory motion be permitted to raise a question of which he was fully cognizant prior to the agreement and order, and which is not predicated on any newly discovered evidence.

As between the parties to this suit, the Court adjudicates the question of priority in favor of the plaintiff, Nicholas L. Etten.

The plaintiff may submit a decree for approval.

Judgment of District Court, entered April 26, 1949—(not reported).

This cause came on to be heard and was tried in open court, was argued and briefed by counsel and thereupon, upon consideration thereof,

It is ordered, Adjudged and Decreed as follows:

1. That the court has jurisdiction of the parties and the subject matter.

2. That the United States Letters Patent No. 2,406,951, granted September 3, 1949 to Lovell Manufacturing Company on an application Serial No. 749,977 of Gustave H. Jantz for certain improvements in wringers was knowingly and willingly fraudulently procured by defendants on

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[105] "It is further understood that both parties hereto have concluded their respective cases as to the original and amended complaint and that no further evidence or testimony will be adduced herein in connection with the causes of action of said original and amended complaints."

false and untrue evidence and affidavits and by the concealment and suppression of pertinent evidence in files of defendants' attorneys, H. C. Lord and A. F. Herbsleb (see Findings of Fact 27) and that said Jantz patent is void in its entirety and from its inception.

3. That as to any and all conflicting subject matter as between the aforesaid Jantz Patent No. 2,406,951 and plaintiff's Letters Patent No. 2,054,970 (on which application for reissue Serial No. 167,775, filed October 7, 1937 is pending) and such as and like claims 2 and 13, the plaintiff Nicholas L. Etten is entitled to priority as between the parties to this suit.

4.a. That as between the parties to this suit the plaintiff Nicholas L. Etten is entitled to priority on the subject matter of his application for reissue Serial No. 167,775 here in suit and is entitled according to law to receive Letters Patent for his inventions as specified in his claims and including the three counts of Interference No. 76,987.

4-b. That as between the parties to this suit the plaintiff Nicholas L. Etten is entitled to priority on the subject matter of his application for Patent Serial No. 38,932 here in suit and is entitled according to law to receive Letters Patent for his invention as specified in his claim and including the single count of Interference No. 75,433.

5. That plaintiff completed the inventions of the counts and claims here in suit at least as early as the Fall of 1932 which inventions were reduced to practice at the plant of The Chamberlain Corporation of Waterloo, Iowa and which culminated in the 1932 application Serial No. 648,620 of Etten Patent No. 2,054,970.

6. That plaintiff's motion of January 9, 1948 to strike defendants' notice of December 30, 1947 together with all papers referred to therein and attached thereto is hereby

granted and said notice and supporting papers and affidavits are hereby stricken from the record.

7. That plaintiff recover from the defendants costs of the plaintiff in this court, including reasonable attorneys fees, and that the plaintiff shall have judgment and execution against said defendants for said costs.

/s/ FREDERICK V. FOLLMER,
United States District Judge.

First Opinion of United States Court of Appeals (3rd Cir.) dated January 10, 1950; reported 179 F.(2d) 302.

Per Curiam.

The appeal at bar was taken from a judgment of the court below declaring patent No. 2,406,951 to be void and granting certain other relief to Etten which need not be detailed here. The judgment of the court, however, did not dispose of the counterclaim filed by the defendant and of all the issues raised by the plaintiff's assertion that the defendants were engaged in a conspiracy which damaged the plaintiff.

Rule 54(b) of the Federal Rules of Civil Procedure, 28 U.S.C.A., provides: "When more than one claim for relief is presented in an action, whether as a claim [or] counterclaim, * * * the court may direct the entry of a final judgment upon one or more but less than all of the claims only upon an express determination that there is no just reason for delay and upon an express direction for the entry of judgment. In the absence of such determination and direction, any order or other form of decision, however designated, which adjudicates less than all the claims shall not terminate the action as to any of the claims, and the order or other form of decision is subject to revision at any time before the entry of judgment adjudicating all the claim."

In the instant case the court below did not enter a final judgment upon all the claims and did not make the determination required by Rule 54(b). It follows that under the circumstances the judgment appealed from is not a final judgment. We therefore must dismiss the appeal. Should, however, the court below see fit on remand to vacate the judgment here appealed from, to file a certificate as required by Rule 54(b) and to render a judgment in conformity therewith and if the present appellants should appeal to this court from that judgment, if entered, this court would deem it unnecessary to have the parties reprint briefs or appendices. We may not and do not express any opinion as to whether or not there is any "just reason for delay" in the determination of all the claims. See Rule 54(b).

Accordingly the appeal will be dismissed for want of jurisdiction.

First Judgment of United States Court of Appeals (3rd Cir.) dated January 10, 1950, dismissing Appeal—(not reported).

JUDGMENT.

This cause came on to be heard on the record from the United States District Court for the Western District of Pennsylvania and was argued by counsel.

On consideration whereof, it is now here ordered and adjudged by this Court that the appeal in this case be, and the same is hereby dismissed.

Attest:

Ida O. Creskoff
Clerk

January 10, 1950

Second Judgment of District Court, dated March 10, 1950—(not reported).

ORDER.

(Filed March 10, 1950)

AND NOW, to wit., March 8, 1950, in compliance with the opinion of the United States Court of Appeals for the Third Circuit filed January 10, 1950, the judgment entered herein on April 26, 1949, is vacated, and pursuant to the provisions of Rule 54(b) of the Federal Rules of Civil Procedure, it is hereby certified that this Court has made this express determination that there is no just reason for delay in the entry of the following judgment as final on the issues raised in the complaint and that the disposition of defendants' counterclaim for infringement and any undisposed of motions including defendants' motion for interrogatories in relation thereto should not delay the entry of the final judgment. It is my opinion that grave injustice would be done by requiring the determination of the issues raised by the complaint to await the outcome of any further and undisposed of matters in this cause. Furthermore, all parties specifically agreed to close the proceedings as to the issues raised in the complaint as is set forth in the Order of this Court dated December 9, 1947, and filed December 16, 1947. This Court makes this its express direction for the entry of the judgment hereinbelow set forth as its final judgment on the matters therein adjudicated.

Accordingly, the judgment entered herein on April 26, 1949, pursuant to the previous opinion of this Court filed March 2, 1949, is adopted in *haec verba* and is hereby made part, in its entirety, of this present judgment with certain clarifying additional paragraphs 8 to 11 inc. added, so that the judgment now hereby entered shall read as follows:

JUDGMENT OF THE COURT.

It is ordered, Adjudged and Decreed as follows:

1. That the Court has jurisdiction of the parties and the subject matter.

2. That the United States Letters Patent No. 2,406,951, granted September 3, 1946 to Lovell Manufacturing Company on an application Serial No. 749,977 of Gustave H. Jantz for certain improvements in wringers was knowingly and willingly fraudulently procured by defendants on false and untrue evidence and affidavits and by the concealment and suppression of pertinent evidence in files of defendants' attorneys, H. C. Lord and A. F. Herbsleb (see Findings of Fact 27) and that said Jantz patent is void in its entirety and from its inception.

3. That as to any and all conflicting subject matter as between the aforesaid Jantz Patent No. 2,406,951 and plaintiff's Letters Patent No. 2,054,970 (on which application for reissue Serial No. 167,775, filed October 7, 1937 is pending) and such as and like claims 2 and 13, the plaintiff Nicholas L. Etten is entitled to priority as between the parties to this suit.

4-a. That as between the parties to this suit the plaintiff Nicholas L. Etten is entitled to priority on the subject matter of his application for reissue Serial No. 167,775 here in suit and is entitled according to law to receive Letters Patent for his inventions as specified in his claims and including the three counts of Interference No. 76,987.

4-b. That as between the parties to this suit the plaintiff Nicholas L. Etten is entitled to priority on the subject matter of his application for Patent Serial No. 38,932 here in suit and is entitled according to law to receive Letters Patent for his invention as specified in his claim and including the single count of Interference No. 75,433.

5. That plaintiff completed the inventions of the counts and claims here in suit at least as early as the Fall of 1932 which inventions were reduced to practice at the plant of The Chamberlain Corporation of Waterloo, Iowa and which culminated in the 1932 application Serial No. 648,620 of Etten Patent No. 2,054,970.

6. That plaintiff's motion of January 9, 1948 to strike defendants' notice of December 30, 1947 together with all papers referred to therein and attached thereto is hereby granted and said notice and supporting papers and affidavits are hereby stricken from the record.

7. That plaintiff recover from the defendants costs of the plaintiff in this court, including reasonable counsel fees, and that the plaintiff shall have judgment and execution against said defendants for said costs.

8. That plaintiff has sustained its burden of proof as to the cause of action alleging conspiracy, fraud, misrepresentation and suppression of evidence and defendants are ordered and directed to pay costs and reasonable counsel fees which shall be assessed and taxed as costs in an amount hereafter to be determined.

9. That the motion of defendants to include The Chamberlain Corporation as a party plaintiff having been made by defendants subsequent to the agreement of both plaintiff and defendants that the proceedings were closed as to all issues raised in the complaint and which agreement was confirmed by Order of Court dated December 9, 1947, and no adequate reason having been given to justify the delay in making such motion, the defendants at this time are barred by their laches, and the motion is refused without prejudice to a renewal thereof at the proper time in connection with any other issues not herein adjudicated.

10. That defendants' motion to dismiss and for summary judgment filed September 16, 1946, is refused.

11. All motions made subsequent to April 26, 1949 and not herein adjudicated, are refused without prejudice to renewal thereof at the proper time in connection with any other issues not herein adjudicated.

Signed Frederick V. Follmer,
United States District Judge.

Second Opinion of United States Court of Appeals (3rd Cir.) dated September 29, 1950—(reported 87 U.S.P.Q. 35.

Biggs, Chief Judge.

On October 22, 1943 Etten sued Lovell Manufacturing Company (Lovell) and Kauffman. A patent, No. 2,054,970 for a "Safety Release Mechanism" for power driven roll wringers of washing machines, had issued to Etten on September 22, 1936, on an application, S.N. 648,620, filed by him on December 23, 1932. Thereafter, on October 7, 1937, Etten filed an application, S.N. 167,775, for the reissue of the patent. Previous thereto, on September 3, 1935, Etten had filed an application, S.N. 38,932, for a "Wringer Release Mechanism" for power driven roll wringers of washing machines. On October 25, 1934 Jantz filed an application, S.N. 749,977, for a patent for a somewhat similar device, and assigned the title of the application to Lovell. On February 15, 1938 the Commissioner of Patents declared an interference, No. 75,433, between Etten's application, S.N. 38,932, and the Jantz application, S.N. 749,977.

On April 25, 1939, the Commissioner declared an interference, No. 76,987, between Etten's reissue application, S.N. 167,775, and the Jantz application, S.N. 749,977. After hearing on the interferences, Nos. 75,433 and 76,987, the Examiner of Interferences awarded priority to Jantz and on appeal that decision was affirmed by the Board of Appeals of the Patent Office [59 USPQ 169, 59 USPQ 173]. No review was sought by Etten of the decisions on these interferences by the United States Court of Customs and Patent Appeals.

The instant suit in the court below was filed pursuant to R.S. Section 4915, 35 U.S.C.A. § 63, and Etten sought thereby an adjudication that he was entitled to a patent for the claims in the Jantz application set forth in certain counts in the interferences, Nos. 75,433 and 76,987. It is not necessary to specify the contents of the counts in the interferences in this opinion. In the suit Etten also prayed for a declaratory judgment that he was entitled to the invention claimed in the counts referred to and, alleging a conspiracy between Lovell and Kauffman to defraud the Patent Office by procuring a fictitious early date of conception of invention for Jantz resulting in priority of invention being awarded to Jantz, he sought also to recover damages and the awarding of counsel fee.[1]

After October 5, 1939[2] two further interferences were declared between Etten and Jantz. One, No. 77,671, involved the Jantz application S.N. 749,977 and Etten's application S.N. 38,932. The other interference, No. 77,672, involved the Jantz application S.N. 749,977 and Patent No. 2,054,970, issued to Etten on his application S.N. 648,620, filed by him on December 23, 1932. It is unnecessary to specify here the contents of the counts in these interferences. Etten lost and appealed to the United States Court of Customs and Patent Appeals which decided the appeals in favor of Jantz on January 3, 1944, on the basis of the record before the Patent Office Board of Interference Examiners. See Etten v. Jantz, 142 F2d 680 [61 USPQ 479].

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[1] The early pleading which followed the filing of the suit at bar is not pertinent to the issues presented in the instant appeal. We will restrict our references, therefore, to such pleading as we deem necessary to make the issues clear.

[2] The date, October 5, 1939, made review of the interferences subject to the provisions of R.S. §§ 4904 and 4911, 35 U.S.C.A. §§ 52 and 59a, as amended on August 5, 1939, c. 451, Section 3, 53 Stat. 1212, and R.S. § 4915, as well as R.S. §§ 4904 and 4911. The Act of August 5, 1939 became effective two months after its approval. See footnote to 35 U.S.C.A. § 52.

The dates of the issuance of Patent No. 2,054,970 and of the various applications and interferences referred to have significance in the disposition of the instant appeal only in the light of the numerous assignments referred to at a later point in this opinion.

On October 15, 1946, on the basis of allegations that on September 3, 1946 Patent No. 2,406,951 issued to Lovell on Jantz application S.N. 749,977 and that the substance of that patent is in conflict with the disclosures of Etten's Patent No. 2,054,970, Etten moved to amend his complaint and to include in it an action based on R.S. Section 4918, 35 U.S.C.A. § 66, to have Patent No. 2,406,951 declared invalid.

On October 21, 1946 the case at bar came on for trial on that portion of the complaint based on R.S. Section 4915 and the answer thereto. Etten was asked on direct examination if he was the person that was seeking a patent in the instant case and he replied that he was. He was then asked, "And you are properly entitled to bring this suit and were the party that testified in the previous [Patent Office] proceedings?" He replied, "I am, sir." He was not further examined as to his right to maintain the suit. Etten concluded the testimony in his case in chief shortly thereafter and the defendants informed the court that the proof in their case would consist "* * * in merely the introduction of exhibits" which were on a designated list. These exhibits included copies of the interference proceedings. We will deal with certain documents included in the interference proceedings and relating to the title of the disclosures of the applications at a later point in this opinion.

On October 21, 1947 the court below allowed the R.S. Section 4918 amendment to the complaint and thereafter, on November 20, 1947, the defendants filed a supplemental answer and a counterclaim. The counterclaim asserted, inter alia, that the Etten Patent No. 2,054,970 was invalid over the prior art and that the "Chamberlain Corporation of Waterloo, Iowa, a corporation of Iowa, is the beneficiary of and is actively participating in the infringement and in these suits. Plaintiff * * * Etten is the active executive officer of the Chamberlain Corporation." Etten filed a motion to dismiss the counterclaim on the ground that Chamberlain Corporation was an indispensable party and that no proper service had been made on the corporation.

On December 8, 1947 Etten filed an affidavit in support of his motion to dismiss in which he alleged that his activities in connection with the manufacture and sale of the washing machine wringers referred to in the complaint had been carried on by him solely as the managing officer of Chamberlain Corporation and that he did not have a controlling interest in that company and that the corporation was fully solvent and responsible for its own acts. On December 19, 1947 Etten filed another affidavit in which he reiterated the substance of that of December 8 and alleged that on May 16, 1929 he had granted an exclusive license to Floyd L. Chamberlain (president of Chamberlain Corporation) under "any" patents which he owned or controlled, with certain exceptions, in return for a minimum royalty payment of $5,000 a year. He alleged that the royalty agreement was entered into "* * * long before the subject matter here in suit was invented or contrived by either party * * *" as well "as prior to any knowledge * * * [by him, Etten] of the safety release type wringer shown in Jantz Patent No. 2,406,951 * * *." He stated also that insofar as the minimum royalty payment was concerned "* * * it made no difference to him which one of the number of wringers he had invented, the company [Chamberlain Corporation] adopted for commercial purposes, inasmuch as it was agreed that only this minimum, irrespective of the type of his patented devices adopted by the company, would be paid * * *."

On December 30, 1947 the defendants filed a "Notice" in which they referred to Etten's affidavits filed December 8 and December 19, 1947[3] and stated that they understood from these that "Etten has no interest in his patent and applications * * *." They went on to assert that if this were true there was no "case or controversy" before the court below and that that court would have no jurisdiction to proceed to a determination of the issues. But the defendants went on to state that "* * * we cannot accept Etten's * * * [December 8] and December * * * [19] affidavits. Etten has made too many sworn statements which cannot be reconciled with these affidavits. Etten has spent too much money for one as disinterested as he now claims." There was a motion to defer decision on both the R.S. Sections 4915 and 4918 actions until Etten's status was "clarified", it being alleged that Etten "* * * has no interest in the subject matter or outcome of this litigation. He has no interest in his patent and applications. He doesn't care whether he wins or loses. The Chamberlain Corporation is the party in interest." The moving papers also assert that Chamberlain Corporation is an indispensable party to the litigation and that its absence as a party deprived the court of "jurisdiction". Counsel for the defendants also filed an affidavit in which he set forth the substance of certain pleadings in a suit brought by Etten and Chamberlain Corporation v. Kauffman and Lovell in the court below, being No. 3 September Term 1937, Erie, which included a copy of the assignment made by Etten to Floyd P. Chamberlain, hereinbefore referred to.

On January 9, 1948 Etten filed an "Opposition" to the defendants' request to defer the decision in the action pending the clarification of Etten's status, pointing out that on December 9, 1947 the defendants' counsel had represented that the "previously tried suits", viz., the suit at bar embracing the actions bottomed on R.S. Sections 4915 and 4918, were "finished business", asserting also that certain compromises in favor of the defendants had been made by Etten because of this representation and that the defendants' request for the clarification of Etten's status as a plaintiff was in violation of an "agreement" made by counsel that the case should be decided without further testimony on behalf of the parties, the agreement being "reached * * * in open court". On December 16, 1947 the court entered an order, approved by the parties, which included the following statement: "It is further understood that both parties hereto have concluded their respective cases as to the original and amended complaint and that no further evidence or testimony will be adduced herein in connection with the causes of action of said original and amended complaints." The only issues remaining for the court's adjudication, seemingly, were those raised by the counterclaim.

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[3] In the "Notice" the defendants incorrectly referred to these dates as November 28, 1947 and December 16, 1947.

Argument was had in the court below upon the issues presented by the complaint, the amended complaint and the answers thereto and the evidence adduced by the parties. The defendants also filed requests for conclusions of law. One of these, No. 27, raised the question of whether or not Chamberlain Corporation, the exclusive licensee, should be a party to the suit.

On February 28, 1949 the court handed down an opinion in which it held that Etten and not Jantz was entitled to the subject matter of the disclosures in controversy and that Jantz's award of priority of invention had been procured from the Patent Office by fraud. See 83 F. Supp. 178 [81 USPQ 342]. On April 26, 1949 judgment was entered in conformity with the opinion and the defendants appealed.

The court below did not decide the issues presented by the counterclaim, as we have indicated. It did not make the determination required by Rule 54(b), FRCP, in respect to its non-adjudication of the issues raised by the counterclaim. Accordingly on January 10, 1950 we dismissed the appeal for want of jurisdiction. See 179 F.2d 302 [84 USPQ 114].

Following the remand a number of motions were made by the parties. On January 19, 1950 the defendants moved to join Chamberlain Corporation as a party-plaintiff and attached to the motion copies of a number of assignments which will be discussed hereinafter. On January, 23, 1950 Etten moved to substitute Chamberlain Corporation as plaintiff in his place and stead. Etten also moved under Rule 60 to supplement the judgment so "as to cure omissions therefrom". The cure proposed was the insertion of a new paragraph 16 to be phrased as follows: "On defendant's motion (dated January 19, 1950) to add Chamberlain Corporation * * * as party-plaintiff and on plaintiff's motion (dated January 20, 1950) under Rule 25 to substitute Chamberlain Corporation as a party-plaintiff and upon consideration of the title papers attached to said defendants' motion and the evidence in this case, the court hereby directs that said Chamberlain Corporation be added as a party and be substituted as the plaintiff in this suit." Thereafter, on January 26, 1950, the defendants moved for an order to compel Chamberlain Corporation to answer, stating, perhaps ingenuously, "Of course, Chamberlain Corporation must appear voluntarily * * * ". On February 1, 1950 Chamberlain Corporation entered an appearance in the proceedings by Etten's counsel and the notice of appearance stated that counsel further agreed that the certified copies of the assignments hereinbefore referred to be received in evidence as showing that Chamberlain Corporation acquired title from Etten to applications S.N. 38,932 and 167,775 and the Etten Patent No. 2,054,970.

On March 8, 1950 the court below made an order making the determination required by Rule 54(b), as suggested by the opinion of this court and, in effect, re-entered its former judgment, thereby rendering it final. Certain new paragraphs were added, however, to the judgment and one of these denied the defendants' motion to add Chamberlain Corporation as a party-plaintiff. The final paragraph of the decree provides that "* * * all motions made subsequent to April 26, 1949 and not herein adjudicated, are refused without prejudice to renewal thereof at the proper time in connection with any other issues not herein adjudicated." We assume from the words of the order quoted that Etten's motion to substitute Chamberlain Corporation in his place and stead was denied. The defendants have appealed.

The difficulty of deciding the pertinent issues in the instant appeal is heightened by the chaotic condition of the record now before this court. The appendices prepared by the parties are grossly inadequate, particularly so because the parties have failed to designate the source of much of the material presented. For this reason we have had recourse to the original records. It appears from a copy of a royalty agreement made by Etten and Chamberlain, attached as an exhibit to the pleadings, that Etten may have assigned all rights in his disclosures to Chamberlain as early as May 16, 1929, and from a copy of a letter from Chamberlain to Etten dated October 16, 1929, also attached to the pleadings, that Chamberlain reassigned the rights to the disclosures to Chamberlain Corporation. Moreover, the proviso clause of paragraph "III" of the royalty agreement indicates that Etten may have retained locus standi to appear as a plaintiff in the R.S. Section 4918 action. It appears from the "Title Report" of the Chief of Assignment Division of the Patent Office that title to Patent No. 2,054,970 was vested in Chamberlain Corporation on October 5, 1937. The same status is indicated by a report of the Examiner of Interferences dated April 14, 1939. That Etten had made an assignment of Patent No. 2,054,970 at some prior date is demonstrated by a declaration of surrender executed by him on October 2, 1937, a copy of which was apparently received by the Patent Office on October 7, 1937. It appears also from a photostatic copy of a document recorded in the Patent Office, Liber Y207, page 246, designated "Nunc Pro Tunc Assignment", executed August 30, 1946 nunc pro tunc as of October 1, 1943, that on October 1, 1943 an assignment had been made by Chamberlain to Etten of Patent No. 2,054,970 and reissue application S.N. 167,775 and that the nunc pro tunc assignment was executed for "record purposes" and to show "the chain of title" leading up to an assignment of March 1, 1944, recorded in the Patent Office in Liber V198, page 646, referred to hereinafter. That title to application S.N. 38,932 had also been assigned to Chamberlain Corporation is indicated by a report of the Examiner of Interferences dated February 7, 1938 and by another "Nunc Pro Tunc Assignment", similar in tenor and effect to the one referred to previously in this paragraph, save only that the latter assignment has as its subject matter application S.N. 38,932 as distinguished from application S.N. 167,775 and Patent No. 2,054,970. All of the foregoing was before the court below as part of the proceedings had in the Patent Office on the two interferences first referred to.

[1] The documents constituted evidence in the court below since the suit at bar is based on R.S. Sections 4915 and 4918. Cf. Hartford-Empire Co. v. Hazel-Atlas Glass Co., dissent, 137 F.2d pp. 774-775 [58 USPQ 348, 358-360]. There was also before the court, prior to its decision of February 28, 1949, 83 F. Supp. 178 [81 USPQ 342], the

defendants' request for conclusion of law No. 27, the license agreement hereinbefore referred to, Etten's affidavits of December 8 and December 19, 1947 and the "Notice" filed by the defendants on

[2] December 30, 1947. These tend to suggest that Etten may have had no substantial interest in the patent and the application sub judice. In view of all this documentary material it would have been appropriate for the court below to have investigated Etten's titles, interests and his locus standi and not to have relied solely on his testimony that he was "properly entitled" to bring the suit. Etten was a layman and questions relating to his rights are questions of mixed fact and law, difficult for even a lawyer to comprehend and determine.

Following the judgment entered by the court below on April 26, 1949 and the dismissal of the appeal taken therefrom by this court, on January 19, 1950, the defendants moved to join Chamberlain Corporation as a party-plaintiff and attached to their motion certified copies of assignments, including the "Nunc Pro Tunc" assignments included in the record of the interferences in the Patent Office and referred to in the preceding paragraph. We shall not detail the contents of these assignments but they demonstrate the following. On October 16, 1935 Etten assigned to Chamberlain Corporation his entire interest in application S.N. 648,620 which became Patent No. 2,054,970, and in application S.N. 38,932. It appears from each of the two "Nunc Pro Tunc" assignments, executed, as we have said, on August 30, 1946, that assignments had been made to Etten by Chamberlain Corporation on or about October 1, 1943, whereby Etten received back the titles to the patent and to the applications and that there were further assignments dated March 1, 1944 whereby Etten returned the titles to the patent and the applications to Chamberlain Corporation.

The suit at bar was commenced on October 22, 1943, pursuant, as we have said, to the provisions of R.S. Section 4915. At this time Etten may have been an "applicant" within the purview of the statute. His status, whatever it was, remained unchanged until March 1, 1944 when Etten revested title to the applications and the patent in Chamberlain Corporation. Etten may not have had any cognizable legal interest in the applications or the patent following the assignments of March 1, 1944. He was an "applicant", if the assignments to which we have referred tell the entire story, for a period of four months and six days. Following the assignments of March 1, 1944 of application S. N. 38,932 and Patent No. 2,054,970 the suit may have lacked an indispensable party-plaintiff to prosecute it, viz., Chamberlain Corporation. No attempt was made by Etten to substitute Chamberlain Corporation as a party-plaintiff in his place as permitted by Rule 25(c) or to join the corporation as a party-plaintiff pursuant to Rule 20(a), assuming arguendo that the substantive law as set out in R.S. Section 4915 would have authorized such substitution. On the other hand no motion to dismiss was made and the suit was proceeded with as filed. Cf. Rule 17(a) which requires every action to be prosecuted in the name of the real party in interest. Moreover, on October 15, 1946 when Etten filed his amending motion to have the Jantz Patent No. 2,406,951 declared invalid under R.S. Section 4918 he may no longer have been the owner of Patent No. 2,054,970, one of the "interfering" patents, and if so he could not have been entitled to the declaration which he sought unless he retained some interest cognizable under R.S. Section 4918. The trial court, if informed of Etten's status might have had to dismiss the motion to amend instead of allowing it as was done on October 22, 1947.

In the light of the foregoing it becomes apparent we think, why, when on January 19, 1950 the defendants moved to join Chamberlain Corporation as a party-plaintiff, Etten himself quickly moved to substitute Chamberlain Corporation as the party-plaintiff in his place and stead and also endeavored by the employment of Rule 60 to supplement the judgment to bring Chamberlain Corporation within its scope; why on February 1, 1950, nearly seven years after the filing of the suit and four years after the amendment to the complaint Chamberlain Corporation entered an appearance. The court below, as we have said, denied the motions of the parties respecting the inclusion of Chamberlain Corporation in the litigation.

The parties at the argument before this court on June 8, 1950 discussed the question as to whether Etten might maintain the suit in terms of "jurisdiction". It must be conceded that the court below had jurisdiction of the parties and during one period, viz., from October 22, 1943 to March 1, 1944, may have had jurisdiction of the subject matter of the action based on R.S. Section 4915. It may be argued with some cogency that the court below lost the power to adjudicate the R.S. Section 4915 action if the assignment of title of March 1, 1944 was a valid one for perhaps a judgment could not thereafter have been entered which would have bound an indispensable party to the controversy. Cf. Paper Container Mfg. Co. v. Dixie Cup Co., 3 Cir., 170 F. 2d 333 [78 USPQ 344], where Paper Container was ruled to be "a real party in interest", an indispensable party, albeit not the only one and therefore an "applicant" within the purview of R.S. Section 4915. In the instant case, as we have stated, Etten may have retained no cognizable interest in the subject matter of the disclosures of the patent or the applications. See Armstrong v. De Forest, 2 Cir., 13 F.2d 438; Hazeltine Corporation v. Kirkpatrick, 3 Cir., 165 F.2d 683 [76 USPQ 80]; and Emerson v. Hubbard, C.C.W.D.Pa., 1888, 34 F. 327. For the reasons stated

Etten may not have possessed any cognizable legal interest in the R.S. Section 4918 action at the time it was brought.

This court, however, may not find facts and we may not have wound out fully the labyrinth of assignments, titles and interests. Were there actually assignments by Chamberlain Corporation to Etten in 1943 as recited in the nunc pro tunc assignments? There may be other assignments or indicia of title which may have served to put a cognizable legal interest in the subject matter of the disclosures of the patent and the applications back into Etten which have not been made a part of the record in this case; or Etten may have retained such an interest. If the court below should find on remand that Etten lost or did not possess any cognizable legal interest in the R.S. Section 4915 action or in the R.S. Section 4918 action, that tribunal must determine whether or not Chamberlain Corporation may be added as a party-plaintiff to the suit or whether or not Chamberlain Corporation may be substituted as a party-plaintiff in place of Etten. This will involve, we think, a determination of whether the provisions of Rule 25(c) are contrary to the substantive law as set out in R.S. Section 4915 and whether the doctrine of laches, or any other principle of law or equity would militate against the addition or substitution of Chamberlain Corporation as a party as sought by the litigants. In this connection see also Rule 15 relating to amended and supplemental pleadings, Rule 17 relating to real parties in interest and Rule 21 relating to misjoinder and non-joinder of parties. The court below should also consider whether or not the motions to add Chamberlain Corporation as a party-plaintiff or to substitute that company in lieu of Etten as a party-plaintiff were improvidently denied. This sums up to saying that the court below should determine, if title to the disclosures is not in Etten, whether any formidable obstacle to the continuance of the suit appears in the record as it now exists or as it may be supplemented on remand. See the opinions of Judge Clark as to the plaintiff in Hackner Eastman v. Guaranty Trust Co. of New York, 2 Cir., 117 F.2d 95, 98, cert. den. 313 U.S. 559, and in Bowles v. J. J. Schmitt & Co., 2 Cir., 170 F.2d 617, 621.

Concerning the questions mentioned in the proceeding paragraphs, we, of course, presently express no opinion. The foregoing summary is not intended to be comprehensive and other relevant questions may be brought before the court below or come to mind. We conclude on the present record that we should not express our views on the merits of the case at bar lest we render an advisory opinion. The court below may receive additional evidence. To the end that the trial court may be unhampered in its consideration and disposition of the litigation which has proceeded for so long a time we will vacate the judgment of March 8, 1950 in its entirety and remand the case for reconsideration by the court below in the light of this opinion.[4]

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[4] We cannot agree with the assertions made by Etten that in some way this court or the court below is or was estopped to consider the actual state of the titles referred to. The issues discussed in this opinion were before the court below as appears from the assignments which were included in the record of the interferences filed in the court below. The issues were raised also by the defendants' counsel, though perhaps obliquely and were not pressed as fully as they should have been. We cannot take the position that when the parties to a litigation have stated that they rest their respective cases the trial court is bound to observe and discuss only those questions which the parties have put before it. Questions relating to the jurisdiction and power of a court of the United States must be deemed to be open at all times.

Second Judgment of United States Court of Appeals (3rd Cir.) dated September 29, 1950—vacating, in its entirety, Judgment of Lower Court, with costs against Plaintiff-Appellee, your Petitioner here; (not reported).

JUDGMENT.

This cause came on to be heard on the record from the United States District Court for the Western District of Pennsylvania and was argued by counsel.

On consideration whereof, it is now here ordered and adjudged by this Court that the judgment of March 8, 1950 of the said District Court in this case be, and the same is hereby vacated in its entirety, with costs, and the case remanded for reconsideration by the court below in the light of the opinion of this court.

Attest:

Ida O. Creskoff,
Clerk

September 29, 1950

Order dated October 19, 1950, of United States Court of Appeals (3rd) overruling appellee's objections to appellants' bill of costs—(not reported).

Upon consideration of the appellee's objections to the appellants' bill of costs and of the answer thereto

It is ORDERED that the objections be and they are hereby overruled.

By the Court
Biggs
Chief Judge

October 19, 1950

Order of United States District Court for the Western District of Pennsylvania dated October 24, 1952; (not reported).

ORDER.

I have before me Defendants' Motion to Strike Plaintiffs' Motion to Strike because it contains scandalous matter.

Since this case has been before this Court the patience of the Court has been sorely tried by the tactics employed by Counsel for the defendants during the course of the proceedings to the extent that on a number of occasions the Court has seriously considered citing Counsel for the defendants for contempt because of speech and conduct that the Court considered grossly contemptuous. I find no merit in defendants' motion and under the circumstances to which I have already referred, I find no justification therefor. Certainly no citation of authority is needed other than to repeat the age old maxim in equity that "he who seeks equity must do equity."[1]

Defendants' Motion to Strike Plaintiffs' Motion to Strike is denied.

October 24, 1952.

/s/ Frederick V. Follmer
United States District Judge

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[1] The comments of the Court herein have, of course, no reference to additional Counsel for defendants who have recently appeared in the case.

Findings of Fact Discussion and Conclusions of Law of District Judge Follmer dated April 30, 1954; reported at 121 Fed. Supp. 291.

FINDINGS OF FACT, DISCUSSION AND CONCLUSIONS OF LAW.

This matter is again before the Court on Mandate from the Court of Appeals which vacated the judgment of this Court of March 8, 1950 in its entirety to the end that this Court would be unhampered in its consideration and disposition of the case in conformity with suggestions made in the opinion of the Court of Appeals.

Following receipt of Mandate, considerable additional testimony, oral and documentary, directed solely to the question of title and legal interest as it affected the jurisdiction of the Court, was received.

I reaffirm Findings of Fact made in this cause on February 28, 1949 (83 F. Supp. 178) and on the basis of all the evidence now before me, I make the following additional

Findings of Fact.

1. Plaintiff, Nicholas L. Etten, on May 16, 1929 entered into a License and Royalty Agreement (Plaintiffs' Exhibit B B) with Floyd L. Chamberlain by which the latter was licensed under certain inventions and patents of Etten relating to devices manufactured by the Chamberlain Corporation, and in Paragraph IX thereof included future inventions. The said agreement has since its execution remained continuously in force and effect. It was entered of record June 17, 1932 in the Patent Office in Liber D 153, Page 541.

2. The Etten applications and patent involved in the instant suit are within the provisions of Paragraph IX of said agreement relating to future inventions.

3. On October 16, 1929 Floyd L. Chamberlain executed an assignment (Plaintiffs' Exhibit C-C) by which he transferred all his right, title and interest in the License and Royalty Agreement of May 16, 1929 to the plaintiff, Chamberlain Corporation, an Iowa corporation, excepting a partial reversionary interest which was later assigned to Etten (Plaintiffs' Exhibit I-I).

4. Nicholas L. Etten has remained in the employment of Chamberlain Corporation continuously from the date of the Floyd L. Chamberlain assignment to the said corporation to the present time.

5. Pursuant to the provisions of Paragraph IX of said License and Royalty Agreement of May 16, 1929, Nicholas L. Etten, on October 16, 1935, executed an assignment (Plaintiffs' Exhibit A-A) to Chamberlain Corporation assigning his entire right, title and interest in and to his inventions relating to "Safety Release Mechanism" (Serial No. 648,620) and "Wringer Release Mechanism" (Serial No. 38,932) which are the inventions on which Letters Patent were prayed for by plaintiff in Paragraphs 4 and 5 of the original complaint herein and the former of which is the original application on the invention upon which Etten reissue application, S.N. 167,775, involved in the R.S. §4915 action is predicated and is the invention covered by Etten Letters Patent No. 2,054,970 involved in the suit under R.S. §4918 added by Amendment to the Bill of Complaint. The assignment was made "subject", however, "to the terms and conditions" of said agreement of May 16, 1929 which reserved, therein and thereby, certain royalty and reversionary interests and rights of suit to Nicholas L. Etten.

6. Nicholas L. Etten, since the inception of the License and Royalty Agreement of May 16, 1929, has been receiving royalties under and as provided for in the aforesaid agree-

ment, including the yearly minimum royalty of $5,000 pursuant to Paragraph I (4) of said agreement.

7. Etten reserved unto himself the right to appear in litigation and to protect the patents covered by the License and Royalty Agreement of May 16, 1929 (Plaintiffs' Exhibit B-B) under the terms of Paragraph III, which reads in part as follows:

> "* * * PROVIDED, that first party is given notice of any suit pending in which the validity of said patent is challenged or involved and that such notice is given in time to enable first party to appear in said litigation and protect said patent."

8. Chamberlain Corporation, in the late Summer and early Fall of 1943, advised Nicholas L. Etten that it would not become a party to a suit under R.S. §4915 to procure the granting and issuance of Letters Patent covering the inventions of Nicholas L. Etten and involved in the complaint in the instant case, and on or about September 22, 1943 assigned the entire legal title to said inventions and the pending patent applications thereon, Serial Nos. 167,775 (reissue) and 38,932, to Nicholas L. Etten (Plaintiffs' Exhibits G-G and H-H) and on October 22, 1943 Etten instituted the instant suit pursuant to R.S. §4915.

9. On or about September 22, 1943, in the Chicago office of Charles W. Woodin (a patent attorney who died in 1950) George R. Keltie, as President of Chamberlain Corporation, executed assignments transferring the entire legal title to said applications, Serial Nos. 167,775 (reissue) and 38,932, to Nicholas L. Etten, and which assignments were lost or misplaced and after diligent search cannot now be found.

10. The facts and circumstances in connection with the nonexistence, by reason of loss or misplacement, of the assignments from Chamberlain Corporation to Etten and the subsequent execution of the Nunc Pro Tunc Assign-

ments (Plaintiffs' Exhibits G-G and H-H) were correctly set forth in letter of Chamberlain Corporation by its President, George R. Keltie, to Nicholas L. Etten under date of July 31, 1946, (Defendants' Exhibit W-22) excepting that the exact date of the execution of the lost assignment as established by evidence subsequently taken was September 22, 1943.

11. The content of the 1943 assignments is correctly set forth in the Nunc Pro Tunc Assignments of August 30, 1946 (Plaintiffs' Exhibits G-G and H-H) and which said Nunc Pro Tunc Assignments were recorded in the Patent Office on September 6, 1946, respectively in Liber Y207, Page 246, and Liber Y207, Page 248.

12. Charles F. Meroni, Esq., who just prior to the filing of the suit herein was retained as attorney for plaintiff, wrote a report under the letterhead of The Firm of Charles W. Hills, dated October 7, 1943 (Defendants' Exhibit W-12), relative to the filing of suits to procure the granting of Etten's patents on the inventions herein involved, which report confirmed, in writing, a previous conference with Mr. Woodin on September 27, 1943, and which, among other things, said:

> "* * * as we understand the matter, the Etten application is not assigned to the company, * * *."

Such understanding was predicated upon the fact that Mr. Woodin had prepared and had in his possession the lost assignments and had in such conference with Mr. Meroni informed him that the title to the said patent and applications were in Etten.

13. The defendants have no interest in the Chamberlain Corporation either as stockholders, directors or creditors.

14. On March 1, 1944, written assignments were prepared and executed by Nicholas L. Etten (Plaintiffs' Ex-

hibits E-E and F-F), assigning the legal title of the Etten inventions, applications and patent here in suit (Application S.N. 38,932, Reissue Application S.N. 167,775 and Etten Patent No. 2,054,970) to the Chamberlain Corporation subject, however, to the terms and conditions of the so-called Floyd L. Chamberlain License and Royalty Agreement of May 16, 1929 (Plaintiffs' Exhibit B-B). The said assignments were recorded in the Patent Office on April 1, 1944, respectively in Liber V198, Page 645, and Liber V198, Page 646.

15. Under date of March 29, 1944, Lena E. Chamberlain, surviving spouse and sole heir at law of Floyd L. Chamberlain, deceased, assigned to Nicholas L. Etten all of her right, title and interest in the License and Royalty Agreement of May 16, 1929, and Letters Patent and inventions forming the subject matter of said agreement, "including my right to receive the one-half interest which said agreement provides shall revert to Floyd L. Chamberlain under the terms of the provisions of said agreement hereinabove set out." (Plaintiffs' Exhibit I-I)

16. At the time of the institution of the R.S. §4915 action, on October 22, 1943, legal title to the patent and applications hereinabove referred to and involved in this suit were in Nicholas L. Etten.

17. At the time of the amending of the complaint to include a cause of action under R.S. §4918, the plaintiff, Etten, was receiving royalties under the License and Royalty Agreement of May 16, 1929, and was also the owner of the full reversionary interest under said agreement and the assignment of Lena E. Chamberlain entitling him to all of the rights under the patent in the event that royalties were not paid to him as provided for in the agreement, and had also reserved unto himself in the said License and Royalty Agreement of May 16, 1929 the right

to appear in litigation and to protect the applications and patents on his inventions.

18. Chamberlain Corporation became the owner of the legal title of the aforesaid Etten applications and patent here in suit by virtue of the reassignment of said patent and applications to the Chamberlain Corporation on March 1, 1944 (Plaintiffs' Exhibits E-E and F-F) and has continued in said ownership to the present time.

19. There was no intention to conceal on the part of Etten or Chamberlain Corporation in connection with the lost or misplaced assignments herein referred to, and on the discovery of the lapse in the chain of title to the patent and applications the parties took prompt action to place on record the documents to correctly portray the complete chain of title and to confirm what had previously been done in connection therewith.

20. As to the defense of res adjudicata raised by defendants predicated on an action instituted October 21, 1943, in the United States District Court for the District of Columbia by Nicholas L. Etten v. Lovell Manufacturing Company and others (Defendants' Exhibit E-1), the Court finds that:

(a) The defendants in the instant suit were defendants in the District of Columbia suit and were fully conversant with all that transpired in connection therewith. Furthermore, defendant Lovell Manufacturing Company appeared specially therein and only for the purpose of attacking the jurisdiction of the court, and no answer on the merits was ever filed.

(b) The transcript of that action (Defendants' Exhibit E-1) is not a complete record inasmuch as the docket entries show that motion of Lovell Manufacturing Company filed November 9, 1943, to dismiss complaint had attached thereto as Exhibit "A" affidavits of A. M. Doll, F. J. Stark and G. L. Jantz, which affidavits are not a part of the transcript introduced by the defendants in this cause.

(c) The motion itself (Paragraph 4) shows that the affiants, G. L. Jantz and F. J. Stark, disclaimed any interest whatsoever in the proceedings, and that the affidavit of A. M. Doll, President of Lovell Manufacturing Company, (Paragraph 2) indicated that said Lovell Manufacturing Company was a resident of the City and County of Erie, and State of Ohio (obviously a typographical error and should have read State of Pennsylvania).

(d) The dismissal therefore was predicated upon the fact that the court was without venue jurisdiction of Lovell Manufacturing Company and had no relation whatsoever to the merits of the case.

(e) The order of dismissal entered in the Washington suit, No. 21,688, carries on its face the consent of J. Preston Swecker, Attorney for Plaintiff, and W. W. Cochran, Attorney for Conway P. Coe, Commissioner of Patents.

21. All of the Findings of Fact made in the opinion of this Court dated February 28, 1949, and filed March 2, 1949, are adopted in haec verba and are made part hereof in their entirety.

22. On May 3, 1951, with the approval of the Court, the parties, by their respective counsel, stipulated, inter alia, as follows:

> "It is further agreed that Chamberlain Corporation of Waterloo, Iowa, may be added to and considered as a Party-Plaintiff in this suit as of the date of the filing of its appearance herein on February 1st, 1950."

23. Under date of May 10, 1932, Chamberlain Corporation entered into a license agreement with Voss Bros. Mfg. Co., an Iowa corporation, (Defendants' Exhibit W-24) covering certain applications for United States Letters

Patent pertaining to the product known as "Chamberlain Ironer, Model 'V' ".

24. Contemporaneously with the execution of the said Voss license agreement, to wit., May 10, 1932, Nicholas L. Etten, Floyd L. Chamberlain and Chamberlain Corporation entered into a supplementary agreement in the form of a letter with said Voss Bros. Mfg. Co. (Defendants' Exhibit W-26) giving to the latter certain substitutionary rights under the License and Royalty Agreement of May 16, 1929 (Plaintiffs' Exhibit B-B) in the event of default by Chamberlain Corporation in the payment of royalties to Etten. It is perfectly obvious that this agreement relates solely and specifically to the applications for patents covering "Chamberlain Ironer, Model 'V' " referred to above in the Chamberlain Corporation-Voss agreement of May 10, 1932 (Defendants' Exhibit W-24) and was not intended to nor did it have any relation whatsoever to the application and patent involved in the instant case.

Discussion.

The pertinent facts of this case are fully set forth in the opinion of this Court under date of February 28, 1949, filed March 2, 1949 (83 Fed. Supp. 178) and the opinion of the Court of Appeals (184 F. 2d 737).

As in the proceedings following the receipt of the Mandate from the Court of Appeals, this discussion will likewise be limited to the question of title and legal interest as it affected the jurisdiction of the Court.

An exhaustive and detailed study of the "labyrinth of assignments, titles and interests" in their chronological order and considered in the light of the testimony in relation thereto, presents the following picture:

The License and Royalty Agreement of May 16, 1929 (Plaintiffs' Exhibit B-B) while dealing specifically with an ironing machine or press in connection with which Etten had applied for a patent, also provided, in Paragraph IX thereof, that Etten would "assign to second party (Floyd L. Chamberlain) any and all applications for or Patents issued upon other inventions of first party (Nicholas L. Etten) pertaining to all processes or devices, except plastic Moulding material, now being manufactured in the shops or works of the Chamberlain Corporation, or its assigns." The agreement also provided for the payment of minimum royalties to Etten in the sum of $5,000 per year, not only on the said ironing machines or presses but upon the other future improvements and inventions which would necessarily include those involved in the instant case.

Paragraph II of said License and Royalty Agreement sets forth the relative position of the parties in the event of failure of the second party or his assignees to pay the royalties therein provided for and concludes with this statement, "* * * and no assignment of said Letters Patent or of the rights created under this contract shall, in case of a forfeiture declared against an assignee of second party, be held or be construed to interfere with the reversion of an undivided one-half thereof to Floyd L. Chamberlain, as herein provided."

The phrase "rights created under this contract" in said Paragraph II read in connection with Paragraph IX thereof clearly includes within its scope not only the rights and royalties in connection with the ironing machine or press but upon all other future improvements and inventions of the said Etten. That this was the intention of the parties is perfectly apparent throughout all of their dealings.

Defendants have made much of the so-called "Proviso Clause" of Paragraph III of the License and Royalty Agreement, which reads as follows:

"* * * PROVIDED, that first party is given notice

> of any suit pending in which the validity of said patent is challenged or involved and that such notice is given in time to enable first party to appear in said litigation and protect said patent."

They claim that under this clause plaintiff was limited to becoming a party to a suit instituted by some one else for the sole purpose of protecting his patent.

I feel this construction is entirely too narrow. A careful reading of the License and Royalty Agreement from its four corners taken in connection with the conduct of the parties in relation thereto, clearly indicates that the primary purpose, in spite of any ambiguity which may exist in the contract, was to preserve in Etten full, complete and adequate remedies and means to protect, preserve and sustain the validity of his numerous applications and patents, including those for improvements and inventions which within the contemplation of the 1929 agreement he might be making in the future. It is within the scope of those contemplated future improvements and inventions that the applications and patent involved in the instant suit are encompassed. It is my opinion that it was the intention of all parties concerned that Etten should have plenary power to protect his interests and that it should not be conditioned upon the mere whim or caprice of some other party.

At the expense of breaking the chronological sequence of the various transactions, mention should here be made of the contention of the defendants that, in connection with the litigation rights and the reversionary interests of Etten under the said agreement, consideration must be given to the rights created in Voss Bros. Mfg. Co. (Defendants' Exhibits W-24 and W-26). Short shift can be made of this contention. The License and Royalty Agreement between Chamberlain Corporation and Voss (Defendants' Exhibit W-24) is limited in its application to one matter, namely, the "Chamberlain Ironer, Model 'V'", and required the licensee, Voss, to purchase certain parts for such ironer from the Chamberlain Corporation. Since this ironer was within the scope of the 1929 License and Royalty Agreement, Voss might have lost the benefit of the License and Royalty Agreement if a default had occurred by Chamberlain Corporation in the payment of the royalties. Consequently, to protect Voss, on the same date, May 10, 1932, a supplemental agreement in the form of a letter (Defendants' Exhibit W-26) was entered into between Nicholas L. Etten, Floyd L. Chamberlain, Chamberlain Corporation and Voss Bros. Mfg. Co., which referred to the general substance of the 1929 License and Royalty Agreement and stated,

> "The purpose of this letter is to set forth our understanding in the event of a default by Chamberlain Corporation under said contract of May 16th, 1929, so as to give said Etten the right to cancel said Agreement, as aforesaid."

The so-called letter-agreement then refers to the licensing agreement with Voss (Defendants' Exhibit W-24) which it will be remembered covers only the "Chamberlain Ironer, Model 'V'" and provides for the right in Voss, in the event of default by Chamberlain Corporation in fulfilling its obligations under the 1929 License and Royalty Agreement, at its option within thirty days after cancellation of the agreement by Etten "to assume the interests of said Chamberlain Corporation in said Agreement and to thereby acquire all the benefits and obligations set forth in said Agreement." The agreement then stated, "Nothing herein shall be construed to deprive said Floyd L. Chamberlain from his reversionary interest in and to said Applications and Letters Patent issued thereon, as provided in said Agreement of May 16th, 1929." Finally, it further provided, "You, (Voss) on your part, agree that you do now, and will in the future, acknowledge the validity of all patents issued or to be issued upon all said Applications for Letters Patent filed by the undersigned (Etten) *in respect to ironing machines,* and that you will not voluntarily lend your aid to any person, firm or corporation in attacking the validity of either or any of *said* patents." (Emphasis supplied.)

The paper is inartistically drawn but the intent is clear. Both of the above quotations limit the scope of the agreement to the one item of "ironing machines" and this was previously identified as "Chamberlain Ironer, Model 'V'."

On October 16, 1929, Floyd L. Chamberlain assigned all of his right, title and interest in and to the License and Royalty Agreement of May 16, 1929 to Chamberlain Corporation (Plaintiffs' Exhibit C-C). Defendants contend that this assignment carried with it Floyd L. Chamberlain's reversionary interest of an undivided one-half referred to in Paragraph II of the License and Royalty Agreement. This reversionary interest was specifically excluded from the anticipated October 16, 1929 assignment by the same Paragraph II of the License and Royalty Agreement of May 16, 1929 which created the said reversionary interest, the said exclusion being set forth as follows: "and no assignment of said Letters Patent or of the rights created under this contract shall, in case of a forefeiture declared against an assignee of second party, be held or be construed to interfere with the reversion of an undivided one-half thereof to Floyd L. Chamberlain, as herein provided."

The October 16, 1929 assignment did not, was not intended to, and was never construed by the parties as divesting the reversionary interest of Floyd L. Chamberlain under the License and Royalty Agreement. Nothing could show this more conclusively than the reference to the said Floyd L. Chamberlain reversionary interest in the Voss-letter-agreement (Defendants' Exhibit W-26) of May 10, 1932, to which all of the interested parties subscribed.

Recognizing the validity of the May 16, 1929 agreement with reference to future inventions and the assignment of the benefits of such agreement by Floyd L. Chamberlain to the Chamberlain Corporation under date of October 16, 1929, Nicholas L. Etten on October 16, 1935 assigned (Plaintiffs' Exhibit A-A) to the Chamberlain Corporation various patents obtained by him in 1934 and 1935 pertaining to wringers and to various applications for Letters Patent then pending, including Application S.N. 648,620 and S.N. 38,932 for a wringer release mechanism involved in this action.[1] This assignment was made subject to the terms and conditions of the May 16, 1929 License and Royalty Agreement. The assignment was duly recorded in the Patent Office on October 24, 1935, in Liber S164, Page 235.

For the period 1935 to 1943 Chamberlain Corporation had engaged in considerable litigation concerning numerous inventions for which patents had been issued or applications were pending. In the latter part of 1943 Nicholas L. Etten, who was the inventor and the applicant in the Patent Office with reference to Application S.N. 38,932 and Reissue Application S.N. 167,775, expressed his desire to vindicate his position of priority in respect to the inventions involved therein. The Chamberlain Corporation not wishing to become involved in any further litigation at that time because of possible counterclaim involvements, but recognizing Etten's vital interests under the License and Royalty Agreement of May 16, 1929 (which had been recorded in the Patent Office on June 17, 1932, in Liber D153, Page 541) advised Etten that they did not wish to become a party to the suit under R.S. §4915, but expressed a willingness to assist Etten in any legal action he might feel necessary to take in order to protect his position. On or about September 22, 1943, on the advice of its patent counsel, Charles K. Woodin, Esq., and in his Chicago office, Chamberlain Corporation by its President, George R. Keltie, executed assignments transferring the entire legal title to the patent and patent applications involved in this suit to the said Nicholas L. Etten.

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[1] See paragraph one, opinion Court of Appeals (184 F. 2d 737) for pertinency of Applications S.N. 648,620 and S.N. 38,932.

About this time Charles F. Meroni, Esq., of Chicago, Illinois, was consulted by Woodin with relation to any proceedings that might be taken on behalf of Etten. Under date of October 7, 1943 (Defendants' Exhibit W-12) Meroni wrote to Woodin confirming a conference held by Meroni with Woodin on September 27, 1943, at which time Woodin had advised Meroni that "the Etten application is not assigned to the company." It would seem perfectly obvious that Meroni came out of the conference with Woodin convinced that the title to the patent and patent applications herein involved was in Etten. The fact that this conference was held is further confirmed by letter from Woodin to Etten under date of October 4, 1943 (Defendants' Exhibit W-13).

The fact of the execution of the said assignments is further corroborated by the testimony of George R. Keltie, President of Chamberlain Corporation, who was able to identify the circumstance of his being in Chicago in Mr. Woodin's office by certain other appointments that he had in or about Chicago at that exact time. The various correspondence and the testimony as to what took place at that time is convincing that Woodin at the time of his conference with Meroni did have such assignments. Time was here of the essence as the statutory six months limitation from the date of the decision of the Patent Office

Board of Appeals would expire October 24, 1943. This suit was instituted October 23, 1943. All of the circumstances happening about this time uncontrovertibly point to the fact that there were assignments prepared by Woodin and executed by Chamberlain Corporation vesting title in Etten. There is no question but that at the time of the institution of the R.S. §4915 action the requisite legal title was in Etten.

Having in mind that Etten was the inventor, the applicant and party in the interference actions before the Patent Office, the recipient of royalties from Chamberlain Corporation under the License and Royalty Agreement of 1929, and as above indicated, was at that time the owner of the legal title to the patent and applications here involved, he certainly qualified as an applicant at the time of institution of the said R.S. §4915 action within the meaning of that statutory requirement.

The defendants object to the 1943 assignments and the Nunc Pro Tunc Assignments with reference thereto on the ground that there was no evidence of any proper corporate action. There is no evidence that any one connected with the corporation in any manner ever did object, but even had there been such evidence this contention is without merit as the defendants neither qualify as directors, stockholders or creditors of the corporation and cannot thus collaterally attack the validity of such assignments. Bassick Mfg. Co. v. Ready Auto Supply Co., Inc., D.C.E.D. N.Y., 22 F. 2d 331.

On March 1, 1944, Etten decided to assign the applications and patent here in suit to Chamberlain Corporation; accordingly, written assignments were executed, such assignments being subject to the terms and conditions of the May 16, 1929 License and Royalty Agreement. The fact that these assignments were recorded in the Patent

Office is further proof that the parties at no time throughout these negotiations made any effort to conceal anything, and furthermore that the parties recognized that at this time title to the patent and the applications were in Etten. It was not until after these assignments had been made and recorded that it was discovered that there was a break in the chain of title, that the 1943 assignments to Etten had not been placed on record by Mr. Woodin. A search having failed to locate them, Nunc Pro Tunc Assignments setting forth the content of the lost or misplaced 1943 assignments (Plaintiffs' Exhibits G-G and H-H) were prepared and executed on August 30, 1946, and duly recorded in the Patent Office. As I have already indicated, I am convinced that the patent and applications here involved were duly assigned by Chamberlain Corporation to Etten in 1943 by valid assignments. The mere fact that the assignments were not recorded prior to the institution of the suit is immaterial. John Tuman & Sons, Inc. v. Basse, 2 Cir., 113 F. 2d 928.

Under date of March 29, 1944, Lena E. Chamberlain, surviving spouse and sole heir at law of Floyd L. Chamberlain, deceased, by her assignment (Plaintiffs' Exhibit I-I) conveyed all of her interest in and to the said patent and applications, including her right to receive the one-half reversionary interest of the late Floyd L. Chamberlain under the provisions of said License and Royalty Agreement. By virtue of this assignment Nicholas L. Etten acquired the outstanding one-half reversionary interest of Floyd L. Chamberlain and thereupon became the owner of the full and complete reversionary interest created by that agreement.

The question now presents itself—what happens to the action since the legal title to the patent and the applications is no longer in the original plaintiff, Nicholas L. Etten, it having been reassigned pendente lite?

The Court of Appeals suggests that it may be necessary to make a determination as to whether the provisions of Rule 25 (c) are contrary to the substantive law as set out in R.S.§4915 and whether the doctrine of laches or any other principle of law or equity would militate against the addition or substitution of Chamberlain Corporation as a party as sought by the litigants. In my opinion this matter of the substitution of Chamberlain Corporation is moot by reason of the stipulation of the parties which made Chamberlain Corporation an additional party-plaintiff and which was filed with the approval of the Court, as well as by the allowance of the motion of Chamberlain Corporation to appear voluntarily, which said allowance had previously been improvidently denied by the Court in the final paragraph of its general order of March 8, 1950.

As to the impact of Rule 25 (c) upon the proceedings, it is well to note that before the adoption of the Rules, in the case of Schmertz Wire-Glass Co., et al v. Pittsburgh Plate-Glass Co., C.C. Pa., 168 Fed. 73, 89, the court, in effect, held that where an R.S. § 4915 action was properly instituted, the court did not lose jurisdiction by reason of the fact that the ownership of the intervening patent had been acquired by another party by assignment after the action was commenced, stating, "The action once begun became subject to the practice and proceedings incident to equity." See also Colman et al. v. Hathaway et al, D. C. Mass., 285 Fed. 602. We are further of the opinion that the provisions of Rule 25 (c) are not contrary to this holding but are consistent therewith and are actually a continuance of the doctrine therein expressed.

After Hazeltine Corporation v. Kirkpatrick, 3 Cir., 165 F. 2d 683, there can be no question but that the proceedings here come within the purview of Rule 25 (c) and so far as venue is concerned, it seems to me that that is answered by the fact that Chamberlain Corporation voluntarily appeared and became a party as indicated by its motion to be permitted to appear and by the stipulation above referred to.

The R. S. § 4915 action, therefore, was properly instituted by a qualified applicant and the Court did not lose jurisdiction by the assignment of the legal title to the Chamberlain Corporation. Etten still retained vital interests in the patent and applications and I do not believe that he ceased to become an applicant at the time of the assignment. This was evidently also the construction placed thereon by the plaintiff and accounts for the fact that Chamberlain Corporation was not immediately brought in to the action.

If Rule 25 (c) is applicable, no such appearance would ever have been necessary since under that Rule the action may continue in the name of the original plaintiff. This Rule reads as follows:

> "(c) Transfer of Interest. In case of any transfer of interest, the action may be continued by or against the original party, unless the court upon motion directs the person to whom the interest is transferred to be substituted in the action or joined with the original party. Service of the motion shall be made as provided in subdivision (a) of this rule."

Hazeltine Corporation v. Kirkpatrick, supra, involved a declaratory judgment action concerning certain patents. During the pendency of the action Hazeltine Corporation assigned the patents to a wholly owned subsidiary, Hazeltine Research, Inc. Plaintiff filed motions to join the assignee as a party-defendant under the provisions of Rule 25 (c). The assignee appeared specially and opposed, averring that it had no place of business within the jurisdiction of the court. The motions were granted. On appeal the Court of Appeals stated: "We see no want of jurisdiction in the district court to enter the orders of June 16, 1947. On the contrary, the situation here disclosed is just that which Rule 25(c) contemplates." This Rule certainly makes no distinction between plaintiff and defendant in an action when it states: "the action may be continued by or against the original party." Consequently, if the action taken by the court in the Hazeltine case was good as affecting the defendant, being the party against whom the action was instituted, by the same token, it seems to me, the same interpretation is equally applicable affecting the situation of the plaintiffs in the instant case.

I have already found that at the time of the institution of the action the Court had full jurisdiction, that the plaintiff was an applicant and that the action was properly brought, and I can see no reason why the logic of the Court of Appeals above quoted is not equally applicable to an action under R. S. § 4915 as to any other action involving patent rights. Moreover, as pointed out in Paper Container Mfg. Co. v. Dixie Cup Co., 3 Cir., 170 F. 2d 333, the court having acquired jurisdiction by the institution of the action within the six months limitation period provided by the statute by a party who was an "applicant" within the meaning of the statute, such six months limitation on the institution of the action did not prevent the subsequent addition of other parties or a fortiori of the substitution of parties who pendente lite acquired an interest. In the instant case, as in Paper Container Mfg. Co. v. Dixie Cup Co., supra, the additional party has consented to appear and, furthermore, all parties have stipulated as to such appearance. The venue question discussed in Hazeltine Corporation v. Kirkpatrick, supra, is, of course, not here involved since there has been a voluntary appearance entered by Chamberlain Corporation, the assignee of the legal title. Parenthically, I am of the opinion that regardless of the denial by this

Court of the motion to permit Chamberlain Corporation to become a party, it would have made no difference in view of our interpretation of the scope of Rule 25 (c). This question now becomes moot since Chamberlain Corporation has voluntarily appeared and has been made an additional party-plaintiff in the action.

Subsequent to the various assignments heretofore discussed, the latest in point of time being the Nunc Pro Tunc Assignment of August 30, 1946, a change in the picture occurred in that the Patent Office on September 3, 1946 issued Patent No. 2,406,951 to the defendant Lovell on Jantz Application S. N. 749,977, which was involved in the present R. S. § 4915 action. Accordingly, Etten sought to amend the complaint on the basis of what now constituted interfering patents by adding an additional action under R. S. § 4918 (36 U. S. C. § 66). At the time of the motion to amend, as well as at the time of the allowance thereof, Chamberlain Corporation had not been brought in as an additional party, and, as pointed out by the Court of Appeals, a question was thereby raised as to whether Etten, in the light of the various assignments which occurred pendente lite, was a proper party-plaintiff to institute such action. The parties entitled to institute such an action are not as limited as are those under R. S. § 4915. Under R. S. § 4918 it is provided that "Whenever there are interfering patents, any person interested in any one of them, or in the working of the invention claimed under either of them, may have relief * * *."

At the time of the institution of the R. S. § 4918 action Etten, the original inventor and applicant in the Patent Office proceeding after the various assignments heretofore discussed, had not only the right, which he had reserved in the May 16, 1929 agreement, to litigate and protect his inventions as well as the right to royalties under that agreement, but had in addition thereto, following the Lena E. Chamberlain assignment the full reversionary interest in the said patent involved in the action. Having in mind that Chamberlain Corporation has been added as a party-plaintiff, thus meeting the indispensable party requirement and the further fact that the jurisdictional requirements for the qualification of a plaintiff under R. S. § 4918 are not as limited as those under R. S. § 4915, I feel that the rationale of the court in Paper Container Mfg. Co. v. Dixie Cup Co., supra, in dealing with the qualifications of a plaintiff under R. S. § 4915 would equally, and indeed with more force, apply in this R. S. § 4918 situation. Under such circumstances he was an interested party entitled to bring the action within the meaning of the requirements of R. S. § 4918.

Conclusions of Law.

1. The Court has personal jurisdiction of the plaintiffs, Nicholas L. Etten and Chamberlain Corporation, and of the defendants, Lovell Manufacturing Company and Walter L. Kauffman, II.

2. The action instituted in the District of Columbia on October 21, 1943, Civil Action No. 21688, was not adjudicated on the merits, and the dismissal thereof is not dispositive or res adjudicata of the plaintiffs' claims set forth in the instant suit.

3. The Etten, Chamberlain, Chamberlain Corporation and Voss agreement (Defendants' Exhibit W-26) has no relevancy in this case.

4. Nicholas L. Etten was properly and legally entitled as an "applicant" under R. S. § 4915 to file the original complaint herein.

5. Nicholas L. Etten is also a proper party-plaintiff

in the amendment to the original complaint alleging a cause of action under R. S. § 4918.

6. Defendants' motion to add Chamberlain Corporation as a party plaintiff was improvidently denied by the order of this Court of March 8, 1950, and the said denial should be revoked.

7. Under the facts and circumstances of this case there is no basis for the application of the doctrine of laches or of any other principle of law or equity which would militate against the addition or substitution of Chamberlain Corporation as a party.

8. The parties having in open Court, with the approval of the Court, stipulated on May 3, 1951 the addition of Chamberlain Corporation herein as a party plaintiff, such party is properly a party hereto under the provisions of Rules 15 (c), 20 (a) and 25 (c) of the Federal Rules of Civil Procedure.

9. Chamberlain Corporation having acquired the legal title to the Etten applications and patent in suit by the aforesaid assignments of March 1, 1944 is an interested party and proper additional party-plaintiff in the suit under the provisions of R. S. § 4918.

10. Both Nicholas L. Etten and Chamberlain Corporation because of their respective interests in the subject matters of the Etten applications and patent in suit are properly parties plaintiff in all three causes of action herein, namely, the suits under R. S. §§ 4915 and 4918 and the tort action for damages arising out of fraud, and this Court has jurisdiction to determine the same.

Let order be submitted in accordance with the foregoing.

April 30, 1954.

(s) Frederick V. Follmer,
United States District Judge.

Order and Judgment of District Judge Follmer dated July 19, 1954; (not reported).

ORDER AND JUDGMENT.

And now, to wit, on the 19th day of July, 1954, this Order and the following Judgment are in accordance with and responsive to the Opinion of the United States Court of Appeals for the Third Circuit filed September 29, 1950, and the Mandate of said Court, and are in conformance with this Court's Findings of Fact and Conclusions of Law entered herein on April 30, 1954; and in compliance with the opinion of the United States Court of Appeals for the Third Circuit filed January 10, 1950 pursuant to the provisions of Rule 54(b) of the Federal Rules of Civil Procedure, this Court hereby reiterates and it is hereby certified that this Court has made this express determination that there is no just reason for delay in the entry of the following judgment as final on the issues raised in the Complaint, as amended, and that the disposition of Defendant's counterclaim for infringement and any undisposed of motions or issues, should not delay the entry of the final judgment. It is my opinion that grave injustice would be done by requiring the determination of the issues raised by the Complaint, as amended, to await the outcome of any further and undisposed matters in this cause. It is the opinion and judgment of this Court that the following judgment is sufficiently dispositive of all of the matters which require attention at this time. It is the Court's opinion that the matter of the Defendant's counterclaim should await the action of the Appellate Courts on this Court's judgment, since it appears to this Court that if said judgment on the main questions is sustained, it would be dispositive of issues raised in Defendant's counterclaim. This Court makes this its express direction for the entry of the judgment herein below set forth as its final judgment on the matters therein adjudicated.

JUDGMENT.

It is hereby Ordered, Adjudged and Decreed as follows:

1. That the Court has jurisdiction of the parties and the subject matter;

2. That the United States Letters Patent No. 2,406,951 granted September 3, 1946, to Lovell Manufacturing Company on an application Serial No. 749,977 of Gustave H. Jantz for certain improvements in wringers was knowingly, willfully and fraudulently procured by Defendants on false and untrue evidence and affidavits and by the concealment and suppression of pertinent evidence in files of Defendant's attorneys, H. C. Lord and A. F. Herbsleb (see Findings of Fact 27, February 28, 1949, reaffirmed and reincorporated herein) and that said Jantz patent is void in its entirety and from its inception;

3. That as to any and all conflicting subject matter as between the aforesaid Jantz patent No. 2,406,951 and Plaintiff's Letters Patent No. 2,054,970 (on which application for reissue Serial No. 167,775, was filed October 7, 1937) and such as and like claims 2 and 13, the application and patent of the Plaintiff, Nicholas L. Etten is entitled to priority as between the parties to this suit, and Plaintiffs Nicholas L. Etten, and Chamberlain Corporation, as assignee of Nicholas L. Etten, are entitled to and do hereby prevail on said issues;

4. That as between the parties to this suit the Plaintiff, Nicholas L. Etten, is entitled to priority on the subject matter of the Etten application for reissue Serial No. 167,775 here in suit and was entitled according to law to receive Letters Patent for inventions as specified in the

claims therein and including the three counts of interference No. 76,987, and Plaintiff, Nicholas L. Etten and Chamberlain Corporation, as assignee of Nicholas L. Etten, are entitled to and do hereby prevail on said issues;

5. That as between the parties to this suit the Plaintiff, Nicholas L. Etten is entitled to priority on the subject matter of his application for patent Serial No. 38,932 here in suit and Nicholas L. Etten and/or Chamberlain Corporation as assignee of Nicholas L. Etten are entitled according to law to receive Letters Patent for his invention as specified in his claim and including the single count of Interference No. 75,433;

6. That Plaintiff, Nicholas L. Etten, completed the inventions of the counts and claims here in suit at least as early as the Fall of 1932 which inventions were reduced to practice at the plant of the Chamberlain Corporation of Waterloo, Iowa, and which culminated in the 1932 application Serial No. 648,602 of Etten patent No. 2,054,970;

7. That Plaintiffs recover from the defendants costs of the plaintiffs in this court, including reasonable counsel fees, and that the Plaintiffs shall have judgment and execution against said defendants for said costs;

8. That Plaintiffs have sustained the burden of proof as to the cause of action alleging conspiracy, fraud, misrepresentation and suppression of evidence and defendants are ordered and directed to pay to plaintiffs all costs, expenses and reasonable counsel fees incurred in connection with this litigation and including those in connection with Interference No. 75,433 and Interference No. 76,987, which total amount shall be assessed and taxed as hereafter to be determined by the Court and that Plaintiffs shall have judgment and execution against said defendants therefor.

9. That in its order of March 8, 1950, this Court refused motion of defendants to include Chamberlain Corporation as a party plaintiff. In its opinion filed April 30, 1954, the Court found that its previous action in denying said motion was improvidently taken and should be revoked. It further noted that on May 3, 1951, the parties did in open Court and with the approval of the Court stipulate the addition of Chamberlain Corporation herein as a party plaintiff. Accordingly, and in view of the foregoing, the order of the Court of March 8, 1950, refusing motion of defendants to include Chamberlain Corporation as a party plaintiff is hereby rescinded, and the stipulation of the parties of May 3, 1951, adding Chamberlain Corporation herein as a party plaintiff is hereby ratified and confirmed.

10. That defendants' motion to dismiss and for summary judgment filed September 16, 1946, is refused;

11. All motions, except plaintiffs' motions to dismiss counterclaims which are held in abeyance, made subsequent to April 26, 1949 and not herein or previously adjudicated are refused.

/s/ Frederick V. Follmer,
United States District Judge.

Opinion of the United States Court of Appeals for the Third Circuit dated June 30, 1955; reported at 225 F. 2d 844.

OPINION OF THE COURT.

(Filed June 30, 1955)

By Goodrich, *Circuit Judge.*

This is an action seeking a declaration of a patent brought under § 4915, Revised Statutes, 35 U.S.C.A. § 63 (1951), and later amended to include a count under § 4918, Revised Statutes, 35 U.S.C.A. § 66 (1951). To this was added a common law claim, based on diversity only, for damages alleged to have been suffered from a conspiracy among the defendants.

The case has had a long history. It first broke into the reports in 4 F.R.D. 233 (1945) when the late Judge Schoonmaker held that the common law claim was properly joined to the one under § 4915. Then the case went to trial in October, 1946, and Judge Follmer, sitting in the Western District of Pennsylvania, handed down an opinion in which he made a thorough and comprehensive series of findings of fact and adjudicated the question of priority in favor of the plaintiff. 83 F. Supp. 178 (W.D. Pa., 1949). The defendants then appealed the case to this court, where it was promptly sent back because the appeal was prematurely brought. 179 F. 2d 302 (1950). The necessary proceedings having taken place in the district court, the case again came to this court. Chief Judge Biggs, writing for the court, mentioned the "labyrinth of assignments, titles and interests." This court vacated the judgment to the end that the trial court should be unhampered in its further consideration of the litigation. The opinion stressed that "the court below should determine, if title to the disclosures is not in Etten, whether any formidable obstacle to the continuance of the suit appears in the record as it now exists or as it may be supplemented on remand." 184 F. 2d 737, 743 (1950).

So the case went back to the district court, again to Judge Follmer. He made additional findings of fact answering the questions which the opinion of this court had suggested to him and re-affirmed the findings which he had made when the case was first tried on the merits. 121 F. Supp. 291 (1954).

Now the case is here again on appeal and the defendants-appellants have brought to us all the problems which they could find in it. They range from an application of the rule of res judicata to the date upon which a cat named "Sudie" bore kittens. We shall not discuss them all but the parties may be sure that none have been overlooked.

1. CONSPIRACY COUNT.

One matter we can get out of the case very promptly. It has to do with the conspiracy charge. In his first opinion the district judge, while he found reprehensible conduct by some of the persons involved herein, said he was "constrained under the circumstances of the case to deny plaintiff's claim for damages on the ground of conspiracy" and judgment was entered accordingly. The losing defendants took an appeal as recited above. But the plaintiff did not appeal from the judgment dismissing his common law claim for damages. It is not, therefore, before us and we see no reason for expending printers ink in discussing it.

2. THE WASHINGTON, D. C., SUIT.

The defendants claim that the plaintiff cannot recover here on the ground the action is barred because of a suit begun against these defendants and others in Washington,

D. C., on October 22, 1943. This suit was dismissed by consent and the defendants say that the principles of res judicata bar the plaintiff from recovery now. This position is not well taken. We have looked up all the documents concerning this Washington suit some of which the appellants furnished and some of which they did not. It is clear from the documents, including the supporting affidavits filed there, that the reason for the dismissal was lack of jurisdiction over the person of some of the defendants. It is likewise perfectly clear that where a suit is dismissed for a reason which does not go to the merits, a further suit is not barred. Restatement, Judgments, § 49 and comments thereto; West Coast Life Ins. Co. v. Merced Irr. Dist., 114 F. 2d 654 (C.A. 9, 1940).

3. The Lost Assignment.

The assignments back and forth among the plaintiffs herein, resemble a well played tennis game where the ball is not allowed to hit the ground. No wonder that this court on a previous occasion referred to the "labyrinth." The situation is very greatly cleared by the careful series of findings made by the district court upon remand.

One of the bases upon which Etten claims he is entitled to sue in the 4915 proceeding is that there was an assignment to him from the now co-plaintiff, Chamberlain, on September 22, 1943, back at a time before Chamberlain became a party to this litigation. This assignment, plaintiffs say, was lost and affidavits as to its contents were filed "nunc pro tunc" in the patent office on September 6, 1946. This was some three years after the alleged date of execution, but before the trial of the present action. The defendants say there is insufficient evidence to prove the execution of this document. That is wrong. The finding of fact by the trial court is amply substantiated on this point.

Then the defendants say that the assignment was never delivered. Now the statute requires the assignment of a patent to be in writing. 35 U.S.C.A. § 47 (1951). It says nothing about delivery. But the Supreme Court has likened the safeguards surrounding the transfer of patent property with those usually attached to the transfer of land. Westinghouse Elec. & Mfg. Co. v. Formica Co., 266 U.S. 342, 349 (1924). It is a clear rule, with regard to land transfer, that while a deed to land must be "delivered," such delivery does not demand manual tradition of the document. The modern rule, as stated by Tiffany, [4 Tiffany, Real Property, § 1034 (3d ed., B. Jones, 1939)], is that there is a sufficient delivery "if an intention appears that it shall be legally operative, however this intention may be indicated." The evidence in this case fully sustains both the execution of this assignment and the assignor's intent that it should become effective.

This transaction entitled Etten to sue under § 4915 as an applicant. Becker v. General Chain Co., 273 Fed. 419 (C.A. 1, 1921); 2 Walker, Patents, § 214 (Deller ed., 1937) (and authorities cited therein). We are not compelled to decide, therefore, whether Etten would meet the qualifications of an applicant by virtue of a contract with Chamberlain which was made in 1929. By this contract Etten was given royalties on inventions made or to be made by him, a reversionary one-half interest and a right to sue for infringement of his patents. We have no quarrel with the district court's conclusion that this was sufficient to give him standing to sue. But we do not need to press this matter in view of the fact that we think the evidence sufficient to sustain the claimed 1943 assignment.

4. THE 4918 SUIT.

This statute, 35 U. S. C. A. § 66, is very broad and gives the right of suit to "any person interested" in any one of the interfering patents or in the working of the invention claimed under either of them. If Etten had not assigned back to Chamberlain there could be no difficulty about the right to maintain action under this section as well as 4915. As indicated above, however, he did reassign prior to Chamberlain's entrance into the lawsuit. But he is certainly still an interested party. He has royalty rights. He has a reversionary interest. Also he has, by the terms of the 1929 contract, the right to protect and prosecute his patent rights. This is enough. The following cases and authority are helpful on this point: Victor Talk. M. Co. v. Brunswick-Balke-Collander Co., 290 Fed. 565, 570 (Del., 1923); Briggs v. United Shoe Co., 239 U.S. 48 (1915); Keystone Trading Co. v. Zapota Mfg. Co., 210 Fed. 456 (E.D. Pa., 1914); Palmer Pneumatic Tire Co. v. Lozier, 69 Fed. 346 (N.D. Ohio, 1895); 3 Walker, Patents, § 512 (Deller ed., 1937). *But see* General Chemical Co. v. Aluminum Co., 11 F. 2d 810, 813 (W.D. Pa., 1924).

5. PATENT APPEALS DECISION AS RES JUDICATA.

The appellants urge upon us that the plaintiffs are precluded from suing here by an earlier decision of the Court of Customs and Patents Appeals in 142 F. 2d 680 (1944). This question was met head-on by the district court in the opinion in 83 F. Supp. earlier cited. It is discussed by the district judge on pages 184, 185 and 186. He cites authorities which we have checked and find in point. We cannot state the matter any better than he does and adopt his discussion on this point as our own. The district court held that the plaintiff, Etten, was not foreclosed by the litigation in the Court of Customs and Patents Appeals, and its reasoning is fully applicable to the now co-plaintiff, Chamberlain.[1]

6. PUBLIC USE ARGUMENT.

Appellants urge that the plaintiffs' right to a patent on claim 13 on Application SN 38932 is barred because of two years of public use prior to Etten's date of application (September 3, 1935). The basis of this contention is that claim 13 was incorporated in the Jantz Model "T" wringer (Exhibit "O"). The validity of this argument depends, obviously, on the date of conception and completion of the Jantz Model "T." Now this was the subject of a great deal of evidence in the trial of this case. If the defendants' dates were accurate there would be something to the argument. But the district court in a carefully prepared set of findings has found that the alleged date of conception by Jantz (April, 1932) was falsely asserted by reason of pressure on Jantz to change the date which he originally fixed (April, 1933). The dates of public use asserted by defendants are June 10th and 20th, 1933. But the district court found that the date of completion was after September 21, 1933, because the dies from which the parts of the wringer were made were not in existence until sometime after that date. With these findings, supported by the evidence cited by the district court in its opinion, disappears the argument.

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[1] Appellants also urge that plaintiff Etten's complaint should be dismissed because Chamberlain Corporation had the sole responsibility for prosecution of the suit and that Etten is not the real party in interest. The basis of this argument is a sworn statement made in an answer to written interrogatories. The interrogatories and the response to them concern the role, in these and prior proceedings, of Chamberlain Corporation and its parent corporation, the American Wringer Corporation. As to these two entities, the answer states that the Chamberlain Corporation has the sole responsibility. There is no other evidence to indicate that Etten is not a real party in interest, and, therefore, we must reject this argument.

7. MORGAN v. DANIELS.

It would not be patent litigation without the introduction by one or both parties of Morgan v. Daniels, 153 U.S. 120 (1894). As would be expected the appellants attack the district court's judgment because, they say, the court failed to follow the doctrine of that case. The district judge was acutely aware of Morgan v. Daniels and had quite evidently before him our decision in Minneapolis Mining and Mfg. Co. v. Carborundum Co., 155 F. 2d 746 (1946). He cites the language of Chief Judge Biggs in that case and points to the question, posed by this court, that must be decided: "whether all competent evidence, 'new' and 'old' offered to the District Court carries 'thorough conviction' that the Patent Office erred." 83 F. Supp. at 186.

This question the district judge thoroughly considered. Here we do not have difficult questions of scientific fact and theory such as those involved in the case from which the quotation was taken. We have instead an examination of evidence that looks to lack of truth-telling, concealment of testimony and other deceptive conduct. The conclusion of the trier of the fact was that the picture presented was a sordid one. This evidence was not before the patent office. We have no trouble in sustaining the conclusion that the severe test that one must meet before rejecting patent office conclusion on facts has here been met. The decision of the district court is not contrary to Morgan v. Daniels. The conclusion of the court that fraud was shown on the part of the defendants is clearly established and, therefore, conclusions based upon the absence of such testimony as was available in the court below, do not stand in view of the new testimony.

8. Attorneys Fees.

The appellants complain that the district court allowed attorneys fees. The authority here, of course, is 35 U.S.C.A. § 70 (1951), which permits the court in exceptional cases to award attorneys fees to the prevailing party. This provision was discussed by us in Pennsylvania Crusher Co. v. Bethlehem Steel Co., 193 F. 2d 445 (C.A. 3, 1951). The court cited cases where fraud had been considered adequate justification for awarding attorneys fees. It also pointed out that the basis of the award must be stated by the trial court. We find that requirement met in paragraph 8 of the judgment of the trial court entered July 10, 1954. It is quite clear from the wording of that paragraph that the reason for the award of attorneys fees was because the court considered that the plaintiffs had sustained their burden of proof of fraud, misrepresentations and suppression of evidence.

As said at the beginning of this opinion, many points have been raised by the appellants. What we have said, we believe, disposes of the case without further discussion.

The judgment of the district court will be affirmed.

A true Copy:
Teste:
Clerk of the United States Court of Appeals for the Third Circuit.

Opinion Sur Petition for Rehearing of Circuit Judge Goodrich dated September 30, 1955; reported at 225 F. 2d 849.

OPINION SUR PETITION FOR REHEARING.

(Filed September 30, 1955)

Present: GOODRICH, KALODNER and STALEY, *Circuit Judges.*

By GOODRICH, *Circuit Judge.*

The first two grounds alleged in the petition for rehearing filed on behalf of Lovell Manufacturing Company and Walter L. Kauffman, 2d, are overruled. We find them without merit.

The third ground asserted by the petitioner is that the order for counsel fees was too broad when it included these "in connection with Interference 75,433 and 76,987." This point is well taken. The award of an attorney fee may not be made in connection with a cause of action over which the court had no jurisdiction. Dubil v. Rayford Camp & Co., 184 F. 2d 899 (C. A. 9, 1950).

Paragraph 8 of the order of the district court is vacated and case remanded with directions to delete from paragraph 8 the allowance for counsel fees in connection with the interference proceedings above specified. In all other respects the judgment is affirmed. The judgment of this Court will be modified in accordance with this opinion.

A true Copy:
Teste:
Clerk of the United States Court of Appeals for the Third Circuit.

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IN THE

Supreme Court of the United States

October Term, 1955

No. 594

NICHOLAS L. ETTEN and CHAMBERLAIN
CORPORATION,
Cross-Petitioners,
v.
WALTER L. KAUFFMAN, II, and LOVELL
MANUFACTURING COMPANY,
Cross-Respondents.

Cross Petition for a Writ of Certiorari to the United States Court of Appeals for the Third Circuit

BRIEF FOR CROSS-RESPONDENTS IN OPPOSITION

RALPH HAMMAR,
510 G. Daniel Baldwin Building,
Erie, Pennsylvania,

JULIAN MILLER,
1706 First National Bank Building,
Pittsburgh, Pennsylvania,

Attorneys for Cross-Respondents.

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BRIEF FOR CROSS-RESPONDENTS IN OPPOSITION

Opinions Below Omitted From Cross Petition

Cross-petitioners omit the Patent Office decisions on fraud. See Appendix B, No. 593, pp. 48-98. Cross-petitioners also omit the decision of the Court of Customs and Patent Appeals, 142 F. 2d 680. See Appendix B, No. 593, pp. 99-112.

Question Presented

Was the Court of Appeals correct in denying statutory attorney fees in Patent Office proceedings outside the jurisdiction of the courts below.

Statutes Involved Omitted From Cross Petition

Cross-petitioners omit Sections 481, 483, of the Revised Statutes, combined into 35 U. S. C., Sec. 6, (1951), which reads as follows:

> "The Commissioner of Patents, under the direction of the Secretary of Commerce, shall superintend or perform all duties respecting the granting and issuing of patents directed by law; and he shall have charge of all books, records, papers, models, machines, and all other things belonging to the Patent Office. He may, subject to the approval of the Secretary of Commerce, from time to time establish regulations not inconsistent with law, for the conduct of proceedings in the Patent Office. R.S. Sections 481, 483; Feb. 14, 1903, c. 552, Sec. 12, 32 Stat. 830."

Statement

Significantly, cross-petitioners do not refer to the May, 1944, decisions of the Board of Interference Examiners and of the Commissioner of Patents, Appendix B, No. 593, pp. 48-98, which completely exonerate cross-respondents, their counsel and witnesses of any fraud. Cross-petitioners were represented before the Board of Interference Examiners and the Commissioner of Patents by the same counsel as in the suit below. Their petition to the Commissioner (Appendix B, No. 593, pp. 28-48) and their brief, Defendant's Exhibit 3F (certified copy filed in No. 593) make clear that the same issue of fraud presented to the courts below was presented to the Board of Interference Examiners and to the Commissioner of Patents in his official capacity as head of the Patent Office.

Cross-petitioners also fail to state that the Court of Customs and Patent Appeals held up its certificate while the Patent Office investigated the charges of fraud, and allowed its decision to become final only after cross-respondents had been exonerated of any fraud. See Appendix B, No. 593, p. 49.

A careful comparison of the 1944 decisions of the Patent Office (Appendix B, No. 593, pp. 48-98) and the 1949 opinion of the district court (Appellees' Appendix 11427, pp. 25b-64b) shows that there was no *new* evidence of fraud in the courts below. Respondents produced some new evidence on "priority of invention", but on fraud the only evidence was that previously submitted to and considered by the Patent Office.

ARGUMENT

The Decision Below Was Correct in Denying Attorney Fees in the Patent Office Proceedings.

Cross-petitioners' questions, which we have restated as a single question, rest on an inference that when the district court awarded counsel fees for the entire litigation, including the proceedings in the Patent Office, that award was not really counsel fees but was punitive damages. That inference is not supported by the record. The district court stated, as plainly as it could,

> "* * * I am constrained under the circumstances of the case to deny plaintiffs' claim for damages on the ground of conspiracy". Appellees' Appendix 11, 427, p. 63b.

As the Court of Appeals below noted (June 30, 1955 opinion, p. 3), no appeal was taken from that denial. No other claim for damages was asserted below (Appellees' Appendix, *supra*, pp. 6b-8b).

Nor do cross-petitioners help their cause when they misstate the holding of *Dubil v. Rayford Camp*, 184 F. 2d 899

(CA9, 1950). In that case, a suit on a state trade mark was joined with a patent infringement suit. The state trade mark being non-federal was outside the jurisdiction and it was that fact which brought about the holding "an award of an attorney fee may not be made in connection with a cause of action over which the court had no jurisdiction."

In short, cross-petitioners abandoned their claim for damages when that claim was denied by the district court and that claim cannot be revived at this late date.

The Fraud Question Was Not Concealed From the Patent Office.

While the foregoing is ample for denial of certiorari, the stress placed by cross-petitioners upon fraud warrants reply. Cross-respondents deny fraud.

1. The picture painted by cross-petitioners of fraud concealed from the Patent Office cannot be sustained even for an instant. If there was one issue of which the Patent Office was fully aware, that issue was fraud. The attorneys for cross-petitioners know it is not true that fraud was concealed from the Patent Office. See Appendix B, p. 48, showing that Charles F. Meroni actually argued the fraud question to the Patent Office on March 17, 1944. Also see the brief for that argument, Defendants' Exhibit 3F. The 50 printed pages written by the Patent Office (Appendix B, No. 593, pp. 48-98) shows that the issue of fraud was not concealed but rather that the issue of fraud was spread upon the record in the Patent Office.

2. If the alleged fraud had not been discovered until after cross-respondent Lovell's Jantz patent had been granted, the responsibility for protecting the public from

fraud would have been in the courts as in the *Hartford Empire* and *Precision Instrument* cases cited by cross-petitioners. However, because the alleged fraud was discovered prior to the issuance of the Jantz patent, the responsibility for protecting the public was in the Patent Office. This Court said as much in the *Precision Instrument* case, 324 U. S. 806, 818, (1944). And in other fields this Court has so held many times, e.g., *Greenameyer v. Coate*, 212 U. S. 434, (1908); *Hawley v. Diller*, 178 U. S. 476 (1899). (Cf. *U. S. v. Minor*, 114 U. S. 233, (1884). For a case illustrating the power of an administrative agency to protect itself from deception, see *F. C. C. v. WOKO, Inc.*, 329 U. S. 223 (1946).

The Attorneys for Cross-Respondents Were Exonerated of Fraud by the Commissioner of Patents.

Cross-petitioners lean heavily on the charge that it was the attorneys for cross-respondents who planned and who concealed the alleged fraud. That is the same charge made to the Commissioner of Patents while the suit below was pending. See Appendix B, No. 593, pp. 34-37, 40-45, 47. Also, see Appendix B, p. 98, for the decision that "no fraud on the part of counsel * * * had been established". *Kingsland v. Dorsey*, 338 U. S. 318, (1949), clearly holds that the Commissioner of Patents or those delegated by him had authority to pass upon charges of fraud on the part of cross-respondents' attorneys and, as in that case, the evidence before the Commissioner amply supported his decision.

Conclusion

The cross-petition is not important enough for certiorari.

Respectfully submitted,

RALPH HAMMAR,
JULIAN MILLER,
Attorneys for Cross-Respondents.

PE